In The Matter Of:

IRON WORKERS LOCAL NO. 17 INSURANCE FUND v.
PHILIP MORRIS, INC., ET AL.

LUCY HENKE
December 17, 1998

INTERIM COURT REPORTING

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
Eastern Division

IRON WORKERS LOCAL UNION 1 NO. 17 INSURANCE FUND, et al., Plaintiff, vs. PHILIP MORRIS, INC., et al., Defendants.) No. 1:97CV1422

The deposition of LUCY HENKE was taken on Thursday, December 17, 1998, commencing at 9:06 a.m. at the offices of Winston & Strawn, 1400 L Street, N.W., Washington, D.C., before Susanne Q. Tate, Registered Merit Reporter and Notary Public.

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APPEARANCES

ON BEHALF OF THE PLAINTIFF:
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ON BEHALF OF THE DEFENDANT:
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(Index appears following the transcript.)

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PROCEEDINGS

VIDEOGRAPHER: Good morning. This is the deposition of Lucy Henke noticed by plaintiff in case number 1:97CV1422 entitled Iron Workers Local Union No. 17 Insurance Fund et al. versus Philip Morris, et al., in the United States District Court, Northern District of Ohio, Eastern Division.

My name is Shelly Sanders, the certified legal video specialist operating the videotape equipment for this deposition. I am employed by For The Record and Interim Reporting. This deposition is being taken on December 17th, 1998 at the offices of Winston & Strawn, 1400 L Street, Northwest, Washington, D.C., at the time indicated on the lower portion of the television screen. The time on the screen is 9:06:26.

I will now ask counsel to identify themselves and indicate the parties they represent. The court reporter, Susanne, Tate of For the Record, will then administer the oath to the witness.

MR. ARNOLD: My name is Phil

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Arnold. I'm here today with Murray Kleist, and we represent the plaintiff, Taft-Hartley Trust.

MS. TYLER: Julia Tyler of the law firm of Johnson & Tyler representing Philip Morris.

Whereupon –
LUCY HENKE
a witness, called for examination, having been first duly sworn, was examined and testified as follows:

EXAMINATION
BY MR. ARNOLD:

Q: Ma'am, as a matter of formality and the record, would you please state your name?
A: My name is Lucy Henke.
Q: How do you spell your last name?
A: HENKE.
Q: Your home address, please?
A: [DELETED]

Q: Today you're appearing as an expert witness in this litigation?
A: Yes.
Q: Are you appearing on behalf of all the defendants?

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A: Yes.
Q: Can you tell me how much you're being compensated?
A: Yes.
Q: How much?
A: For today's testimony, $200 an hour.
Q: How much do you charge for trial testimony?
A: Also $200 an hour.
Q: How many times have you testified on behalf of the tobacco industry?
MS. TYLER: Objection, vague.
THE WITNESS: I've been involved in some cases before.
BY MR. ARNOLD:
Q: How many cases?
A: Let's see, one would be the Engel case.
Q: Any other cases?
A: Yes.
Q: Would you identify them for the record, please?
A: Another case was Arch.
Q: Any more?

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A: Yes, the Federal Trade Commission.
Q: Any more?
A: I was deposed for the Mississippi AG case.
Q: Any other depositions?
A: There may have been one more.
Q: You were in private practice, so to speak, at one point in your career?
MS. TYLER: Objection, vague.
BY MR. ARNOLD:
Q: Excuse me?
A: Could you explain what you mean by that, please?
Q: Did you work in an advertising capacity within a business setting?
A: That would overlap with a lot of things that I've done. I'm not sure what you mean by that.
Q: Did you ever work in Manhattan?
A: Yes, I did work in Manhattan.
Q: All right, let's talk about Manhattan, then. What did you do?
A: When I worked in Manhattan, I had a couple of different jobs at different times.
Q: That's nice, but I'm asking about your jobs, ma'am.

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A: What would you like to know?
Q: I'd like to know what you did.
MS. TYLER: Objection, vague.
BY MR. ARNOLD:
Q: You worked in Manhattan –
A: I did.
Q: – and had a couple of jobs. What kind of jobs?
A: Well, I had different employers when I was in Manhattan. Which – when would you like me to approach this?
Q: Why don't you identify each employer first.
A: I worked for Louis Harris & Associates, a polling firm, in New York. That was one. And while I was at Louis Harris, I – I did work for a lot of different clients.
Q: And your second employer?
A: I worked for ABC Television News.
Q: Now, when you worked for Louis Harris & Associates, did you have any clients who were tobacco companies?
A: No.
Q: When you were testifying in the FTC matter –

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A: Yes.
Q: – that was on behalf of the tobacco industry?
MS. TYLER: Objection, vague.
BY MR. ARNOLD:
Q: Yes?
A: Well, for some part of the tobacco industry I suppose would be appropriate.
Q: Do you know approximately the year of that testimony?
A: 1998.
Q: Have you had any other employers –
MS. TYLER: Objection.
BY MR. ARNOLD:
Q: – besides Louis Harris and ABC News outside of the academic field?
A: Yes.
Q: And who are those people?
A: I have had several as clients.
Q: Could you identify the clients, please?
A: It would be really difficult to name them all, but I could –
Q: Any of them associated or involved

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with the tobacco industry?
A: I'm not sure.
Q: Did you do any advertising for the tobacco industry?
A: Have I done advertising for the tobacco industry?
Q: Yes, ma'am, consulting.
A: Not that I know of.
Q: Can you tell me approximately how much you have received as an aggregate total for your efforts testifying for the tobacco industry in the three cases and deposition?
MS. TYLER: Objection.
THE WITNESS: No, not really.
BY MR. ARNOLD:
Q: Is it over $5,000?
A: Yes. Yes, it is.
Q: Over a total of $10,000?
A: Yes.
Q: Over a total of $15,000?
A: It might be.
Q: Could it be over $20,000?
A: It might be.
Q: Over $25,000?
A: I don't really know.

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Q: Do you prepare your own tax return?
A: No.
Q: Can you tell me whether you have had any other employers that you have not yet identified to me?
MS. TYLER: Objection, vague, overbroad.
THE WITNESS: As I said, I have had several employers and many, many clients. I have a long list. So, yes, there are many I have not identified.
BY MR. ARNOLD:
Q: Could you identify some of your – well, identify all of your employers that you have had?
A: No, I haven't.
Q: Could you do that, please?
A: Probably not.
Q: To your best ability.
A: Is there a more specific area that you would like to know about that would help me answer this?
Q: Well, an employer is a setting where you're paid as an employee and take

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direction from the employer and are under the control of the employer, and I'm trying to find out whether you had other employers generally in the advertising industry.
A: I think that's pretty – still pretty broad for me to answer.
Q: Do you understand what an employer is?
A: Yes, I think I do.
Q: Could you just to your best ability, I'm not going to hold you to an accurate list, but could you just name them off for me, please?
A: You know, the way that you've asked me this, it's going to be very difficult to give you a good answer, because probably most of the companies I have worked for are involved in advertising in some way, including restaurants I've worked for as a college student. If you could – if you could narrow it down a little better for me, I can give you a better answer.
Q: Let's exclude any work as a college student. Let's look at your employment since you graduated from school and you received a Ph.D.

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A: And you would like to know my employers?
Q: Yes, ma'am.
A: Who are involved in advertising?
Q: Yes, ma'am.
A: Should I refer to my vita?
Q: However it would help you to answer the question.
A: Well, while I was at Louis Harris, one of the clients for whom I worked was Seagrams VO.
Q: And the complete list is, to your best ability?
A: I know I can't give you the complete list as I sit here today, but I can name some others. While I was at Louis Harris, the New York Daily News was a client.
Q: Any other clients come to mind?
A: The Gannett newspaper chain was a client. Medical News was a client.
Q: Any other clients come to mind?
A: Indiana Utilities was a client. Cellular Mobile Phone I believe was a client. Newsweek was a client. Parade Magazine was a client. ABC Television was a client. Charmer

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Industries was a client. M&M Mars was a client. There are others, but those are the ones that come to mind.
Q: You mentioned two employers, ABC News and Louis Harris, correct?
A: Yes.
Q: Have you had any other employers?
MS. TYLER: Objection, vague, overly broad.
THE WITNESS: Yes, I have had several employers.
BY MR. ARNOLD:
Q: And would you identify them, please?
MS. TYLER: Again, are we talking post-Ph – post period – post-Ph.D., Mr. Arnold?
MR. ARNOLD: For now, it's post-Ph.D.
THE WITNESS: Well, in that case, some of the clients I have named perhaps don't qualify, because I received my Ph.D. at the time I was working at Louis Harris.
BY MR. ARNOLD:
Q: All right.

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A: And I don't know which ones came before and which ones came after.
Q: After receiving your Bachelor's Degree, can you identify your employers for me?
A: Well, I – I was an adjunct faculty member at the University of Hartford while I was working on my doctoral dissertation.
Q: Any other employers?
A: I may have done some work for the mass communication department at the University of Hartford on a consulting basis.
Q: And what kind of substance would that have been?
MS. TYLER: Objection, vague.
BY MR. ARNOLD:
Q: What were you doing for them?
A: I can't be certain whether what I am recalling is specifically for the University of Hartford mass communication department, but I may have been involved in conducting some surveys.
Q: Surveys for what?
A: Various topics. None come to mind.
Q: Anything involving tobacco?

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A: No, not that I recall.
Q: Any other employers?
A: Sure, there was Focus Group Research, which was located in Hartford, Connecticut.
Q: What did you do for them?
A: I helped design a survey of their clients and potential clients.
Q: Who were these potential clients?
A: It's hard to remember specifically, but they were small business owners using computers.
Q: And who were the clients that you performed surveys for?
A: Focus Group –
Q: Research?
A: Right, Focus Research was the name of the company.
Q: Did you perform any other surveys for Focus Research other than small businesses and communications?
A: I probably – I may have conducted a few for them and helped them set up their telephone interviewing division.
Q: Were any telephone interviews being

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performed for the tobacco industry?
A: No, I don't think so.
Q: Any other work for the Focus Research?
A: Not much beyond what I've mentioned that I can remember.
Q: Do you know if the surveys that you helped develop, were they used by any tobacco companies?
A: I have no idea.
Q: Any other employers –
A: Yes.
Q: – that comes to mind?
A: I was employed by the University of Massachusetts, I suppose, technically as a research assistant while I did my doctoral work and as a teaching assistant.
Q: Any other employment?
A: Yes. I taught at the University of Kentucky.
Q: Did you teach advertising, marketing?
MS. TYLER: Objection, compound.
BY MR. ARNOLD:
Q: What did you – what did you

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teach?
A: I – I taught marketing courses. I was an associate professor and assistant professor of marketing there.
Q: Other employment?
A: I work at the University of New Hampshire.
Q: What were your duties?
A: I am an associate professor of marketing at the University of New Hampshire.
Q: Do you have any other employment?
MS. TYLER: Objection.
THE WITNESS: Could you be more specific about that, please?
BY MR. ARNOLD:
Q: Well, we're talking about situations where there's an employer-employee relationship. I don't know how to be more specific.
A: As I said, I have had several clients, probably too many for me to remember here. I'm trying.
Q: Well, I'm trying to find out who you worked for as an employer, not particularly the clients.

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A: I –
MS. TYLER: Mr. Arnold, I assume this is a memory test, because defendants have produced to you her curriculum vita, and all of that information is contained therein. I think this is totally unnecessary, but if you want to waste your deposition time, that's fine with me.
THE WITNESS: Was there a question?
BY MR. ARNOLD:
Q: Yes. The question is, do you have any other employers? I'm not asking about clients but just specifically employers.
A: I consider my clients to be my employers the way that you've defined that.
Q: Do you have any employers who pay you and withhold income tax from your paychecks?
A: The University of New Hampshire does that.
Q: Any other employers you haven't identified here today?
MS. TYLER: Objection, vague.
THE WITNESS: I have had other

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employers who have withheld taxes and benefits from my checks. At this point, I don't think I have any others besides the University of New Hampshire.
BY MR. ARNOLD:
Q: Does the field of marketing encompass advertising?
A: Yes, it does.
Q: Have you experience in the design of advertising?
MS. TYLER: Objection.
THE WITNESS: What kind of experience? Would you clarify that, please?
BY MR. ARNOLD:
Q: Have you been asked to help design the substance of advertising?
A: I suppose I've been asked to do that at some point.
Q: And you have done that?
A: Nothing particular comes to mind –
Q: You've been –
A: – but yes.
Q: – involved in helping to devise ad campaigns?
A: Yeah, I think it depends on what

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you mean by that.
Q: What do you mean by that?
MS. TYLER: Objection.
THE WITNESS: I – I don't have that –
BY MR. ARNOLD:
Q: Do you know – do you have a definition of advertising?
A: Would you like a definition of advertising? Yes.
Q: And you have a definition of what a campaign effort, an advertising effort? If I asked you have you been involved in any advertising efforts?
A: That – that covers quite a bit of territory.
Q: Have you ever helped select the content of advertising?
A: I'm sure in various ways I probably have, yes.
Q: Would you agree that you need to know the nature of the product in order to determine whether your advertising is appropriate?
MS. TYLER: Objection.

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THE WITNESS: What do you mean by "appropriate"?

BY MR. ARNOLD:

Q: Proper.

MS. TYLER: Objection.

THE WITNESS: I – I – I think what you're posing here is a lot of different ideas in one very broad question, and if you could be more specific about that, I could give you a much better answer.

BY MR. ARNOLD:

Q: All right. If you were advertising condoms, for instance, and you know that that is for sexual activities and that, therefore, it may be inappropriate to aim your advertising at young children, as an example.

A: I think that's a judgment that you're making. I'm not sure I agree with your assumptions on that.

Q: But that's what I'm trying to get at. I mean, don't you need to know something about your product to determine whether your advertising's appropriate?

MS. TYLER: Objection, vague and overly broad.

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THE WITNESS: I think that the person who designs an ad campaign needs to know a lot about the consumers of the product that's being advertised in that campaign.

BY MR. ARNOLD:

Q: They need to know the strengths of the product, for instance?

MS. TYLER: Objection, vague.

THE WITNESS: In designing an ad campaign, understanding the strengths and weaknesses of the product would be very useful.

BY MR. ARNOLD:

Q: Do you need to know whether your client has a business strategy to target certain selected customers?

MS. TYLER: Objection, vague.

THE WITNESS: There are a lot of different ways of approaching ad campaigns. I'm not sure that what you have just described is – is a specific approach.

BY MR. ARNOLD:

Q: Well, when you advertise, you advertise for a purpose?

MS. TYLER: Objection.

BY MR. ARNOLD:

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Q: In general.

A: Not in general, no.

Q: When you are advertising for a client, you need to know what the client's objectives are, don't you?

MS. TYLER: Objection, vague.

THE WITNESS: It's always a good idea to understand the client's objectives. It doesn't necessarily mean that those objectives will translate to the advertising objectives, however.

BY MR. ARNOLD:

Q: Do you have an opinion whether cigarette smoking causes lung cancer?

MS. TYLER: Objection, outside the scope.

THE WITNESS: I'm not here as an expert in medicine.

BY MR. ARNOLD:

Q: Move to strike that as being nonresponsive.

Do you have an opinion whether cigarette smoking causes lung cancer?

A: You asked me –

MS. TYLER: Objection, outside the

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scope. She is an expert witness not in that area, and I think you know that, Mr. Arnold, and that – her prior answer was entirely responsive to your question, and I object that it's been asked and answered.

BY MR. ARNOLD:

Q: You may answer the question.

A: Are you asking for my personal opinion?

Q: Yes, ma'am.

A: I'm not an expert in the area, but I feel there is a – a pretty sufficient risk of lung cancer and many other things that relate to smoking.

Q: Do you define a risk differently than cause?

A: Pardon me? Do I define risk differently from cost?

Q: Cause.

MS. TYLER: Objection, outside the scope.

THE WITNESS: I'm – I'm not speculating about risk and cause. At that point I was offering a personal opinion. This is not my area of expertise.

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BY MR. ARNOLD:
Q: My question to you is whether you have a personal opinion regarding smoking causing cancer. In your answer you mentioned risk, and I'm just trying to determine whether you define risk differently than cause.
A: I have no idea. That's not the area that I am offering any expertise in. I really can't answer that.
Q: Do you have a personal opinion whether smoking causes heart disease?
A: Again, that's not my area of expertise, but I feel there's a lot of evidence that smoking at least exacerbates heart disease, yes.
Q: Do you have an opinion as to whether cigarette smoking is addictive?
MS. TYLER: Objection, outside the scope.
THE WITNESS: I am not an expert in addiction.
BY MR. ARNOLD:
Q: Move to strike that as being nonresponsive.
Do you have an opinion as to

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whether cigarette smoking is addictive or not?
A: You know –
MS. TYLER: Objection, asked and answered.
THE WITNESS: Thank you. It would be helpful to me if you could specify whether you're talking about a personal opinion or an expert opinion. I'm here to offer expert opinions.
BY MR. ARNOLD:
Q: Do you have a personal opinion whether cigarette smoking is addictive or not?
A: Okay, this is not my area of expertise, but I find that many people find it extremely difficult to stop smoking.
Q: Do you believe that the difficulty people have in stopping smoking is a result of an addiction?
MS. TYLER: Objection, outside the scope.
BY MR. ARNOLD:
Q: Your personal opinion, again.
A: Okay, again, this is not my area, and I really can't answer that. I don't know.
(Plaintiffs' Deposition Exhibit

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Number 1 was marked for identification.)
BY MR. ARNOLD:
Q: I'd like to hand to you what we have marked as Exhibit 1, which is a Harvard Business Review article. In this case you wrote a report, an expert witness report?
A: Yes.
Q: And did you write that report with the help of any attorneys?
A: No.
Q: In your report – I'm going to put it on the Elmo.
MS. TYLER: Do you have a copy of the report for Dr. Henke, because she cannot see this monitor.
BY MR. ARNOLD:
Q: Do you have a copy with you today?
A: No, I don't.
Q: I have –
MR. KLEIST: She has one. They gave it to us.
MS. TYLER: I don't have a copy of the report with me now.
MR. KLEIST: We only have one. We assumed you would have one.

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BY MR. ARNOLD:
Q: Let me hand to you a copy of your report and ask you – and I'll put on the Elmo – whether on pages 13 to 14 you have written the following statement, and I will quote:
"A study by Bever, et al., suggests that one need not wait until adolescence to find the skepticism which is related to attribution of selling intent. The study of children from 5 to 12 years old by Bever, et al., 1975, concluded that by age 10, children believe that advertising is misleading." end of quote.
Did I read that correctly?
A: Yes, I believe you did.
Q: And I'd like to direct your attention to what we marked as Exhibit 1, which is Bever's article, and I would like to direct your attention to the last page of that article. I'd like to read to you from Bever's article, which states, quote, "What light does our study shed on the issues raised by concerned parents, teachers, marketers and government leaders? Our findings suggest that all children under 11 are vulnerable to manipulation by

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irresponsible advertisers but that some age groups are more vulnerable than others," end of quote.
Did I read that correctly?
A: Yes, you did.
Q: And what the author here is saying is that the children under 11 are susceptible to *manipulation* by advertising. Is that correct?
A: Actually, it's...
MS. TYLER: Objection. Objection to counsel's characterization of the document.
THE WITNESS: Actually, I believe the author is saying they are vulnerable to manipulation.
BY MR. ARNOLD:
Q: And the author is indicating that these children therefore are vulnerable to being misled by advertising. Isn't that correct?
MS. TYLER: Objection, mischaracterizes the document.
THE WITNESS: I - I don't see that they're being misled. It's vulnerable to manipulation by irresponsible advertisers.
(Plaintiffs' Deposition Exhibit Number 2 was marked for identification.)

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BY MR. ARNOLD:
Q: I'd like to hand to you what we marked as Exhibit 2, which is from the British Journal of Addiction. And I direct your attention, if I may, first of all, to your report in this case on page 33, item number 7, and I'll read from your report, quote, "The Conrad, Flay and Hill, 1992, reviewed 27 studies of predictors of smoking initiation among children and adolescents and found strong relationships for peer influence and parent influence," end of quote.
Did I read that correctly?
A: Yes, I believe you did.
Q: Then could I direct your attention to Exhibit 2, I believe it's the next to last page, page 1722.
A: Yes.
Q: And I'd like to show you the conclusion of the Conrad report and read to you, quote, "Though the 27 available prospective studies of predictors of the onset of cigarette smoking are far from perfect, we believe that this review has confirmed the importance of many well-accepted predictors and raised some

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questions about others. In particular, family smoking, bonding, and approval each received unexpectedly low support," end of quote.
Did I read that correctly?
A: Yes, you did.
Q: So, the author, Conrad, is indicating that the family smoking approval does not have as much influence on children as one would have thought in the past.
MS. TYLER: Objection to counsel's mischaracterization of the document.
THE WITNESS: I don't believe that's what they've written here.
BY MR. ARNOLD:
Q: "In particular, family smoking, bonding, and approval each receive unexpectedly low support," as a predictor of whether children will smoke. Isn't that what they're saying?
A: No, receive unexpectedly low support.
Q: All right, that's what the author said.
A: That's right.
Q: And what you said was that Conrad found strong relationships for peer influence

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and parent influence, strong relationships, but he said low support.
MS. TYLER: Objection, mischaracterizes the document.
BY MR. ARNOLD:
Q: Is that not correct?
A: That is not correct the way you stated it, no.
Q: Well, let's look at the Elmo. You've used "found strong relationships for peer influence and parent influence," and that Conrad states, "unexpectedly low support" with relationship to family influences. Isn't that not correct?
MS. TYLER: Objection.
THE WITNESS: Unexpectedly low.
BY MR. ARNOLD:
Q: You didn't write unexpectedly low, though.
A: I did not.
Q: As an advertiser, would it be important for you to know that nicotine is a potent drug?
A: No.
MS. TYLER: Objection, vague,

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overbroad, outside the scope.
BY MR. ARNOLD:
Q: Wouldn't it be important for you to know because if nicotine is a potent drug, then it may be inappropriate for children to buy that product?
MS. TYLER: Objection, vague, overly broad.
THE WITNESS: It sounds like there are a lot of assumptions being made in that question, which make it very difficult for me to answer that. Again, if you could be more specific.
(Plaintiff's Deposition Exhibit Number 57 was marked for identification.)
BY MR. ARNOLD:
Q: Let's look at what we've marked as Exhibit 57 to your deposition. I'd like to draw your attention – first, I guess I will show you, this is the 1994 Report of the Surgeon General. Have you seen that before?
A: Yes.
Q: I'd like to draw your attention to page 6 of that report and specifically the highlighted part that states, quote, "In the

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1988 report, nicotine was designated a highly addictive substance comparable in its physiological and psychological properties to other addictive substances of abuse," end of quote.
Did I read that correctly?
MS. TYLER: I'm not sure, are you on the right page, Mr. Henke?
THE WITNESS: Mine's not highlighted, but I think I have found the right page.
That sounds like what I have, yes.
BY MR. ARNOLD:
Q: Do you have it?
A: Yes.
Q: When advertising cigarettes and you are designing an ad, wouldn't you want to know if cigarette smoking was addictive?
A: Not necessarily, no.
Q: Well, in general wouldn't you?
A: In general, no.
MS. TYLER: Objection.
BY MR. ARNOLD:
Q: Certainly if cigarettes are addictive, that would be an inappropriate

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product for children. Would you agree with that?
MS. TYLER: Objection, vague, overly broad, assumes facts not in evidence.
THE WITNESS: Well, as I've said before, I can't offer you an opinion on the addictive nature of cigarettes, and you're assuming that in asking me the question, and I can't answer a question given those assumptions.
BY MR. ARNOLD:
Q: You're here today testifying as an expert, are you not?
A: Yes, I am.
Q: And I'm going to ask you a series of hypothetical questions where I – where you are to assume that the premise is true so I may test the logic of your position.
MS. TYLER: Is that a question?
MR. ARNOLD: I'm explaining to her, and Counsel, I would expect her to do that, because if that is not going to occur, then we would move to exclude her testimony at trial, because I have a right to do that.
MS. TYLER: Well, Mr. Arnold, this

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witness is going to tell you if she feels uncomfortable with your underlying assumptions, and if she is unable to answer the question due to the manner in which you have phrased it, I expect her to do so and I would support her in doing so.
BY MR. ARNOLD:
Q: Let's go back to the Surgeon General report, Exhibit 57, and I'll read to you again, quote, "In the 1988 report, nicotine was designated a highly addictive substance comparable in its physiological and psychological properties to other addictive substances of abuse," end quote.
If that is true, then cigarettes are an inappropriate product for children. Would you agree with that?
MS. TYLER: Objection, vague.
THE WITNESS: Actually, that's a question that is beyond – the way that you phrased it is beyond what I understand I'm doing here today.
BY MR. ARNOLD:
Q: Ma'am, is that your response to the question?

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A: I guess my response is I don't think I can answer that the way that you're asking it.
Q: You understand what the term "addiction" means?
A: Actually, quite frankly, no, I'm not sure of what that means.
Q: Is that the difficulty you're having with my hypothetical?
A: That may be part of the problem. As I said, I'm not a medical expert, and I have no personal opinion about it, because I am not clear exactly on what addiction is and what qualifies as addiction.
Q: Well, let's assume that addiction means that when you cease smoking cigarettes, you have physical withdrawal symptoms which are unpleasant, which may impel, therefore, the addictive person to keep smoking.
Using that definition of addiction, if cigarettes are addictive, then wouldn't you agree it's inappropriate for children to smoke?
A: Who are children? Can you define some of the other terms?
Q: All right, children, 17, 16, 15,

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14, 13, 12.
A: Now, would you like my personal opinion on this again?
Q: Is that your response to my –
A: I'm ask – I would like – if you could clarify, please clarify, so that I can answer this. We're getting closer.
Q: I would like to have your opinion, personal, professional, expert, I'd like your opinion to my question, yes.
MS. TYLER: Can we read back the question?
(The record was read as follows:)
"QUESTION: Well, let's assume that addiction means that when you cease smoking cigarettes, you have physical withdrawal symptoms which are unpleasant, which may impel, therefore, the addictive person to keep smoking.
"Using that definition of addiction, if cigarettes are addictive, then wouldn't you agree it's inappropriate for children to smoke?"
THE WITNESS: My personal opinion is that smoking is a distasteful habit and

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dangerous, and I don't smoke, and I don't allow it in my house, and therefore it's inappropriate in my house to smoke if I'm the host.
The professional opinion regarding that I think has the – the appropriateness of that has been viewed differently at different times in terms of what age is appropriate. There are legalities involved, which differ from time to time, from state to state, from country to country, and this is why I have difficulty giving you a very specific answer to that question. It's a very broad question.
MR. ARNOLD: Okay, move to strike that as being nonresponsive, and for the record, the answer, there is absolutely no mention of children, and I would ask that the question be read back to the witness and that a responsive answer be given.
MS. TYLER: I would like the last part of the witness' answer to be read back.
THE REPORTER: Which should I read first?
MS. TYLER: Why don't you read the whole answer.
(The record was read as follows:)

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"ANSWER: My personal opinion is that smoking is a distasteful habit and dangerous, and I don't smoke, and I don't allow it in my house, and therefore it's inappropriate in my house to smoke if I'm the host.
"The professional opinion regarding that I think has the – the appropriateness of that has been viewed differently at different times in terms of what age is appropriate. There are legalities involved, which differ from time to time, from state to state, from country to country, and this is why I have difficulty giving you a very specific answer to that question. It's a very broad question."
MS. TYLER: I think her answer is entirely appropriate to that question and she is referencing ages at which it is specific to smoke.
MR. ARNOLD: Would you read my question back, please.
(The record was read as follows:)
"QUESTION: Well, let's assume that addiction means that when you cease smoking cigarettes, you have physical withdrawal

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symptoms which are unpleasant, which may impel, therefore, the addictive person to keep smoking.

"Using that definition of addiction, if cigarettes are addictive, then wouldn't you agree it's inappropriate for children to smoke?"

THE WITNESS: Are you waiting for me to respond?

BY MR. ARNOLD:

Q: Yes, ma'am.

A: I feel I have answered that question.

Q: As an expert in advertising, would you believe that it's ethical to design advertising that would encourage children to smoke?

A: Again, this is a very broad question you're asking me. What is "encourage"? What are children?

Q: "Encourage" means to promote; "children" means 17, 16, 15, 14, 13, 12.

A: Again, 12 to 17 I would not consider to be children specifically. I would refer to them as a subset of adolescents. So,

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our definitions may differ. And as far as designing advertising which encourages them to smoke, there are very many parts to that question that could be explained in order for me to give a better answer to you.

Q: Do you understand what "smoke" means? We're talking about smoking cigarettes.

A: (Witness nods head.)

Q: You have to answer audibly because there is a written record, too, ma'am.

A: Yes, I think I do.

Q: Do you understand what "encourage" means?

A: I'm not sure what you mean by that, no.

Q: Well, to promote the use of cigarettes. Is that a difficult concept?

A: Actually, it is.

Q: Okay. Would you suggest in your advertising to a subset of adolescents, 17, 16, 15, 14, 13, 12, that smoking is good?

A: Would I suggest? No. Would I suggest that to adolescents?

Q: In advertising.

A: Could you narrow that down, please?

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Q: Why don't we have the question read back, and we will go word by word.

A: Okay.

(The record was read as follows:)

"QUESTION: Would you suggest in your advertising to a subset of adolescents, 17, 16, 15, 14, 13, 12, that smoking is good?"

THE WITNESS: I don't even know where that question's coming from. I'm sorry.

BY MR. ARNOLD:

Q: Do you understand what the word "suggest" means, ma'am?

A: Yes.

Q: And you understand what the word "good" means?

A: I think I do.

Q: Do you think it would be appropriate in advertising to suggest to children that smoking is a good thing to do?

A: Would it be appropriate to design an ad campaign to suggest to adolescents that smoking is good? Is that the question?

Q: That's the question.

A: From a lot of different

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perspectives, we have a lot of different answers. Can you narrow that down, please?

Q: As the question is posed, you're unable to answer it?

A: Perhaps that's the best answer to that question. Good, thank you.

(Plaintiff's Deposition Exhibit Number 47 was marked for identification.)

BY MR. ARNOLD:

Q: I'd like to show you what we've marked as Exhibit 47.

MS. TYLER: I want to state for the record again as I did during the deposition of Dr. Ronald Faber that it is my understanding, Mr. Arnold, that you intend to show this witness internal tobacco industry documents which may be privileged. It is also my understanding that the Judge in this case has indicated that it is permissible to do so, and during this deposition, I will permit you to show this witness internal company documents, but with the understanding that it is not – that my permitting you to do so does not constitute a waiver on the part of any of the defendants.

BY MR. ARNOLD:

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Q: I'd like to show, ma'am, what I have marked as Exhibit 47 to your deposition, and you can see that it's a RJR document stating, quote, "Research Planning Memorandum on the Nature of the Tobacco Business and the Crucial Role of Nicotine Therein," end of quote.

Have you seen this document before?

A: No.

Q: Have you discussed –

A: No, I don't believe I have.

Q: Have you discussed this document before?

A: No, I don't – I don't know if I have seen this, but I – I don't think so.

Q: I'd like to read to you from the second page under the heading Memorandum. The author – oh, I should point out, is Claude Teague, Junior, April 14, 1972. He's a – holds a Ph.D. and worked in the research department, one time being director of research.

I'd like to read to you the first paragraph, in part. Quote, "In a sense, the tobacco industry may be thought of as being a

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specialized, highly ritualized and stylized segment of the pharmaceutical industry. Tobacco products uniquely contain and deliver nicotine, a potent drug with a variety of physiological effects," end of quote.

Did I read that correctly?

A: Yes, you did.

Q: Now, what Dr. Teague is saying is that basically the cigarette industry is in the drug business.

MS. TYLER: Objection to counsel's mischaracterization. The document speaks for itself.

BY MR. ARNOLD:

Q: Isn't that your interpretation?

A: No, I wouldn't – I wouldn't interpret what he has said beyond what he's written here.

Q: Shouldn't it be important to any designer of advertising and promotion to know that the cigarette industry sells basically products containing a potent drug, nicotine?

MS. TYLER: Objection, vague, overbroad, assumes facts not in evidence.

THE WITNESS: Would that be

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necessary? Probably.

BY MR. ARNOLD:

Q: Wouldn't it be appropriate for them to know, though?

MS. TYLER: Objection, vague.

THE WITNESS: That really depends on the circumstances and what – what the campaign is doing and who's doing it and all kinds of other things.

BY MR. ARNOLD:

Q: Would you want to know if you were designing an ad campaign for a cigarette manufacturer?

A: Would I want to know?

Q: That the cigarette industry is selling nicotine, a potent drug?

A: Maybe.

Q: Is it just maybe or would you want to know?

A: Well, I would want to know a lot about the product and about the consumers and about the history of both of those, as well as many other things.

Q: And you haven't been told that as you sit here today, other than what I've shown

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you. Is that correct?

MS. TYLER: Objection.

THE WITNESS: Have I been told what?

BY MR. ARNOLD:

Q: That the cigarette industry sells nicotine, a potent drug, within its product?

MS. TYLER: Objection.

THE WITNESS: If there – I'm not sure as I sit here today that I know many people who have not heard that and need to be told.

BY MR. ARNOLD:

Q: So, you already knew that.

A: That nicotine is in cigarettes? I – it's not my area of expertise. I personally have heard that quite often, yes.

Q: And that it's a potent drug of addiction. Have you heard that?

MS. TYLER: Objection.

THE WITNESS: Again, that's not my area of expertise. I don't define addiction here.

BY MR. ARNOLD:

Q: Have you been told that nicotine is a potent drug of addiction before today?

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MR. ARNOLD: Objection, vague, assumes facts not in evidence.
THE WITNESS: By my children -
MS. TYLER: Go ahead.
THE WITNESS: By my children, that would be one place I've heard that.
BY MR. ARNOLD:
Q: Wouldn't you agree that that's important information any campaign advertising designer should know?
A: It de - not anyone, no.
Q: So your children are saying what Dr. Teague has said is true.
MS. TYLER: Objection, vague.
THE WITNESS: No, they don't know Dr. Teague and what he has said.
BY MR. ARNOLD:
Q: No, but they - but what your children are saying is that nicotine is a potent drug of addiction. That's what you've testified to. Is that correct?
A: My children have told me that cigarettes have - cigarettes are a drug probably is the way they phrased it. I'm not sure how

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often they have talked about nicotine specifically, but -
Q: And I applaud your children. Do you think your children have more knowledge than the cigarette manufacturing industry?
MS. TYLER: Objection, vague and overly broad.
THE WITNESS: In some areas, they probably do, but if you could be more specific, maybe I can answer that question more specifically as well.
BY MR. ARNOLD:
Q: Do your children have more information than the cigarette manufacturing industry with respect to nicotine being a potent drug of addiction?
MS. TYLER: Objection, assumes facts not in evidence.
THE WITNESS: The answer to that is I don't know exactly what information my children have.
BY MR. ARNOLD:
Q: Did you not testify that your children have told you that cigarettes are a drug?

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MS. TYLER: Objection, mischaracterizes her testimony.
THE WITNESS: Something like that, yes, my children have mentioned that cigarettes
BY MR. ARNOLD:
Q: And have your -
MS. TYLER: Can you finish - I want -
THE WITNESS: Cigarettes are drugs, basically.
BY MR. ARNOLD:
Q: And they are drugs that addict, have they conveyed that information to you?
A: I don't know that they used the word "addiction."
Q: Have they used something synonymous with addiction?
A: I'm not sure. Bad for you.
Q: I want to go back to the Elmo and read to you that, "Nicotine is known to be a habit- forming alkaloid, hence the confirmed user of tobacco products is primarily seeking the physiological 'satisfaction' derived from nicotine - and perhaps other active compounds.

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His choice of product and pattern of usage are primarily determined by his individual nicotine dosage requirements and secondarily by a variety of other considerations including flavor and irritancy of the product, social patterns and needs, physical and manipulative gratifications, convenience, cost, health considerations and the like.
Thus a tobacco product is, in essence, a vehicle for delivery of nicotine designed to deliver the nicotine, in a generally acceptable and attractive form. Our industry is then based upon design, manufacture and sale of attractive dosage forms of nicotine."
Did I read that correctly?
A: Yes, you did.
MS. TYLER: I would object that you have not read the entire paragraph. You have stopped at a comma.
BY MR. ARNOLD:
Q: And it continues, quote, "And our Company's position in our industry is determined by our ability to produce dosage forms of nicotine which have more overall valuable - value, tangible or intangible, to the consumer

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than those of our competitors," end quote.
Is that the whole paragraph?
A: I believe that's it.
Q: So, Dr. Teague for RJR is saying is that this industry basically is in the business of selling nicotine.
MS. TYLER: Objection to counsel's characterization of the document, it speaks for itself.
BY MR. ARNOLD:
Q: Isn't this correct?
A: I don't think that's exactly what he says, no.
Q: He says, and maybe I can go back to the Elmo and – he says, "Our industry is then based upon design, manufacture and sale of attractive dosage forms of nicotine."
He said that. Isn't that correct?
A: Yes.
Q: Now, when he says it's based upon selling a dosage of nicotine, the sense of reading this document to an expert in advertising is that this is a product which is a drug.
MS. TYLER: Objection, the document

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speaks for itself.
BY MR. ARNOLD:
Q: Isn't it?
A: I don't know the question, actually. I would not go beyond what he's written here, and I would ask what his Ph.D. is in, as well.
Q: Chemistry.
You are an expert in advertising and marketing, correct?
A: Yes.
Q: And as an expert in advertising and marketing, reading that, wouldn't you conclude that this product, cigarette, is basically a instrument to deliver a dosage of nicotine?
MS. TYLER: Objection.
THE WITNESS: That's what he concludes, I believe.
BY MR. ARNOLD:
Q: All right. And isn't that something that the advertiser designing a program to promote a product should know?
MS. TYLER: Objection, vague.
THE WITNESS: As I said, it depends on the advertiser, the objectives, the

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circumstances, a lot of other things.
BY MR. ARNOLD:
Q: Would you want to know?
A: As I said before, I would want to know a lot of things about the product, the history of the product, the consumers, the history of the consumers, the market. I would want to know a lot about these things.
Q: Would you want to know that?
MS. TYLER: Objection.
THE WITNESS: That might be one thing that would be part of the information I would include in my research.
BY MR. ARNOLD:
Q: You'd want to know, wouldn't you, that cigarettes are a means of providing the consumer a dosage of nicotine? Wouldn't you want to know that if that were true?
MS. TYLER: Objection.
THE WITNESS: I'm not sure.
BY MR. ARNOLD:
Q: Isn't that important to know, because that would tell you that your advertising should be designed so it does not appeal to children?

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MS. TYLER: Objection.
THE WITNESS: I – the way that you have phrased that question, it would take me a long time to answer appropriately. If you could be more specific.
BY MR. ARNOLD:
Q: Why don't you answer in the best manner you feel you can.
MS. TYLER: Objection.
THE WITNESS: And that – I find that the question is very vague, and, for example, using your definition of "children," there have been times that people who fall under that definition have legally smoked cigarettes.
MR. ARNOLD: I am going to move to strike that as being nonresponsive and ask the question be read.
(The record was read as follows:)
"QUESTION: You'd want to know, wouldn't you, that cigarettes are a means of providing the consumer a dosage of nicotine? Wouldn't you want to know that if that were true?
"ANSWER: I'm not sure.
"QUESTION: Isn't that important to

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know, because that would tell you that your advertising should be designed so it does not appeal to children?"

THE WITNESS: I've answered that question I feel.

BY MR. ARNOLD:

Q: That's your response?

A: That's my response. It's very difficult to answer the question the way you've worded it, because, for example – and I'll refer to my previous answer.

Q: We're talking about the United States of America.

A: Yes.

Q: I'd like to go back to Dr. Teague in Exhibit 47 and look at page 3, if you would. I'm going to read to you from it, quote, "Happily, for the tobacco industry, nicotine is both habituating and unique in its variety of physiological actions, hence no other active material or combination of materials provide equivalent 'satisfaction,'" end of quote. Now, did I read that correctly?

A: Yes, you did.

Q: Now, if Dr. Teague is correct, that

it's happily for the tobacco industry that nicotine is habituating, isn't that something that the advertising specialist should know when designing an advertising campaign to promote cigarettes as a product?

MS. TYLER: Objection, vague.

THE WITNESS: Well, you're basing that on some assumptions that Dr. Teague is correct in what he says, to begin with.

BY MR. ARNOLD:

Q: Assuming what he says is correct.

A: Is there a question?

MR. ARNOLD: Can we have the question read back for us, please.

(The record was read as follows:)

"QUESTION: Now, if Dr. Teague is correct, that it's happily for the tobacco industry that nicotine is habituating, isn't that something that the advertising specialist should know when designing an advertising campaign to promote cigarettes as a product?"

THE WITNESS: You see, the – no, again, that's a very broad question.

BY MR. ARNOLD:

Q: You're unable to answer?

A: The way that that is posed, yes.

Q: Wouldn't it be critical to you as the advertising expert to know whether cigarette advertising was appealing to children?

MS. TYLER: Objection.

THE WITNESS: No, not really. Not necessarily. It depends on many, many other factors.

MS. TYLER: Can we take a break? We have been going for over an hour.

MR. ARNOLD: All right.

VIDEOGRAPHER: We are going off the record, 10:25:01.

(A brief recess was taken.)

VIDEOGRAPHER: On the record, 10:35:16.

BY MR. ARNOLD:

Q: Dr. Henke, you have a Ph.D. in philosophy?

A: A doctor of philosophy.

Q: A doctor of philosophy. Could I hand to you what I have marked as Exhibit 27.

A: Yes.

(Plaintiffs' Deposition Exhibit Number 27 was marked for identification.)

BY MR. ARNOLD:

Q: And we will show the jury that this is a JAMA article from – that's the Journal of the American Medical Association, May 23/30, 1990. Do you see that on the cover?

A: Yes.

Q: And have you read any articles from JAMA?

A: Yes, I have.

Q: I would like to show you the next page, and do you see the title there, it says, "Who Profits From Tobacco Sales to Children?"

A: Yes.

Q: I'll bring that up as much as I can, and I'm going to read to you from that first paragraph, quote, "It is estimated that more than 3 million American children under 18 years of age consume 947 million packs of cigarettes and 26 million containers of smokeless tobacco yearly. These tobacco products account for annual sales of $1.26 billion. Approximately 3 percent of tobacco industry profits ($221 million in 1988) derive directly from the sale of cigarettes to children, an activity that is illegal in 43

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states," end of quote.
Did I read that correctly?
A: Yes, you did.
Q: Now, you see in the article that it says that 3 million children under the age of 18, under 18, are involved with tobacco products.
A: Yes.
Q: And you would infer that a large number of those are smokers?
MS. TYLER: Objection.
THE WITNESS: Actually, no, I wouldn't infer anything from this, but - but what is written here is a little bit different. Under 18 years of age consume cigarettes and smokeless tobacco.

BY MR. ARNOLD:

Q: Would you agree with me that if 3 million children under the age of 18 smoke, that that would be a large number?
A: Three million?
Q: Yes, ma'am.
A: Three million is a large number.
Q: And if 3 million children are smoking cigarettes, shouldn't the cigarette

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industry check to determine whether its advertising is appealing to children?
MS. TYLER: Objection.
THE WITNESS: I don't know if I can answer that broad a question, whether they should or shouldn't. If they did, for example, they may be accused of trying to market to children.

BY MR. ARNOLD:

Q: I'd like to show you page 2786 of Exhibit 27, and I'll quote to you, "Children who become addicted to nicotine frequently become lifelong customers of tobacco companies. Each child who becomes addicted can therefore be considered an 'investment' that will pay dividends into the future. Among smokers born since 1935, almost half started before the age of 18 years, and among 24-year-old smokers, 68% indicate that they began smoking prior to age 18. It seems reasonable to conclude that approximately half of all tobacco industry profits, $3.35 billion annually, represent the long-term profits from childhood addiction to nicotine," end of quote.
Did I read that correctly?

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A: Yes, you did.
Q: Now, if 68 percent of smokers under age 24 started as children, wouldn't you agree that the tobacco industry should check its advertising to make sure that it's not promoting smoking among children?
MS. TYLER: Objection.
THE WITNESS: Actually, I -
MS. TYLER: I think you misstated the article, Mr. Arnold.
THE WITNESS: No, actually I'm not sure I would connect the two the way you have.

BY MR. ARNOLD:

Q: If 68 percent of smokers age 24 started as children, then shouldn't the cigarette manufacturing industry check its advertising to see if it's appealing to children?
MS. TYLER: Objection.
THE WITNESS: I'm not sure that would be an effort that would be fruitful.

BY MR. ARNOLD:

Q: You don't know, though, unless you try.
A: Well -

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MS. TYLER: Objection.
THE WITNESS: Actually, there is a lot of evidence that there are factors other than advertising which prompt adolescents to try smoking.

BY MR. ARNOLD:

Q: You certainly wouldn't want advertising, though, to encourage children to smoke, would you?
MS. TYLER: Objection.
THE WITNESS: Again, there's a link here that you're -

BY MR. ARNOLD:

Q: Well, we know if the statistic that smokers aged 24, 68 percent of them started as children, that we have a significant problem with children smokers. Would you agree with that?
A: No, I wouldn't.
Q: I'd like to go back to the Elmo, if we could, and show you in the article, it says $3.35 billion represents the long-term profits which originate from the addiction of children smokers.
Do you see that?

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A: Yes, I do.
Q: That would be a lot of motive for an industry to advertise to children, wouldn't it?
MS. TYLER: Objection.
THE WITNESS: I think that what the author says, it's reasonable to conclude, and this is a conclusion that has been made based upon some figures that I – I don't see.
BY MR. ARNOLD:
Q: Are you disputing the $3.35 billion that is being shown on Elmo?
A: No, I see it here.
Q: Do you have another figure in mind?
A: Well, there is apparently a lot of calculation that goes into this figure, which makes a lot of assumptions based on people not quitting and people becoming addicted, and from what I've seen with similar studies, I would hesitate to accept without question what is written here, yes.
Q: Do you have another figure in mind

A: No, I don't.

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Q: – besides the $3.35 billion?
A: No, I don't.
Q: If $3.3 – 3 – strike that. If $3.35 billion is the annual long-term profit that comes from the addiction of children, then that would be a lot of motive for the cigarette industry to advertise to children, isn't it?
MS. TYLER: Objection. Calls for speculation.
THE WITNESS: I mean, I would not – I would not conclude that based on this.
BY MR. ARNOLD:
Q: I'd like to direct your attention to what we have marked as Exhibit 41 to your deposition, and I'd like to show under the Elmo that it's the Report of the Surgeon General entitled Reducing The Health Consequences of Smoking, 25 Years of Progress, the Report of the Surgeon General, 1989.
Did I read that title correctly?
A: Yes, sir.
(Plaintiff's Deposition Exhibit Number 41 was marked for identification.)
BY MR. ARNOLD:

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Q: Have you seen that document before?
A: No, I don't think I have – I don't know that I have seen this one.
Q: I'd like to show you page Roman (i), if I may, Roman little (i), and that it states under item number 4, quote, "Smoking begins primarily during childhood and adolescence," end of quote.
Do you see that statement?
A: Yes.
Q: Did I read that correctly?
A: Yes.
Q: Do you have any evidence to dispute that statement?
A: No.
Q: Isn't the cigarette manufacturing industry based in part upon the addiction of children?
MS. TYLER: Objection.
THE WITNESS: I – I think that's a fairly strong statement. I'm not sure.
BY MR. ARNOLD:
Q: If the Surgeon General is correct, that smoking primarily begins during childhood

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and adolescence, then the main customer support that keeps the industry going are children.
MS. TYLER: Objection.
BY MR. ARNOLD:
Q: Isn't that correct?
A: No, I wouldn't agree with that at all. I think that's making a lot of assumptions beyond what's written here. For example, some quitting also takes place during childhood and adolescence. A lot of experimenting takes place in childhood and adolescence, and –
Q: Well, we – I'm sorry, go ahead.
A: – and those are issues that aren't necessarily addressed here.
Q: I'd like to draw your attention to page 8 of this exhibit.
MS. TYLER: I don't have an 8.
BY MR. ARNOLD:
Q: I'd like to go back, if I could, to Exhibit 57, and that was a Surgeon General's report in 1994, Preventing Tobacco Use Among Young People, Report of the Surgeon General, and direct your attention to page 8 of that report, and I'd like to read to you, quote, "Since most smokers try their first cigarette before age 18,

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young people are the chief source of new customers for the tobacco industry, which each year must replace the many smokers who quit smoking and the many who die from smoking-related diseases," end of quote.

Now, if that is true, then the basis of the cigarette manufacturing industry are new children smokers who replace those who die or quit. Isn't that correct?

MS. TYLER: Objection to form.

THE WITNESS: Again, you're asking if that's true, then –

BY MR. ARNOLD:

Q: Would you like the question read back to you?

MS. TYLER: Why don't we go ahead and read the question back.

THE WITNESS: I'm sorry.

(The record was read as follows:)

"QUESTION: I'd like to go back, if I could, to Exhibit 57, and that was a Surgeon General's report in 1994, Preventing Tobacco Use Among Young People, Report of the Surgeon General, and direct your attention to page 8 of that report, and I'd like to read to you, quote,

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'Since most smokers try their first cigarette before age 18, young people are the chief source of new customers for the tobacco industry, which each year must replace the many smokers who quit smoking and the many who die from smoking-related diseases,' end of quote.

"Now, if that is true, then the basis of the cigarette manufacturing industry are new children smokers who replace those who die or quit. Isn't that correct?"

THE WITNESS: No, I would say that's not correct.

BY MR. ARNOLD:

Q: Isn't that the basis of the cigarette manufacturing industry's advertising, to appeal to young children?

MS. TYLER: Objection.

THE WITNESS: I wouldn't agree with that, no.

BY MR. ARNOLD:

Q: Today, if 68 percent of children stopped smoking, in the long run, that would shrink the tobacco industry's business by 68 percent, wouldn't it, if the JAMA article is correct?

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MS. TYLER: Objection to form.

THE WITNESS: Un-huh, I wouldn't agree with that.

BY MR. ARNOLD:

Q: If the Surgeon General – go back to the Elmo, please. If the Surgeon General's statement is correct that we've highlighted here, then shouldn't the cigarette manufacturing industry review its advertising to see if it's appealing to children?

A: Well, first of all, what you're referring to in the Surgeon General's report on page 8 combines facts and opinions, I think, and I'm not sure I accept the statement as true as written, but if I were to, I would suggest that there is a lot of research already regarding the effects of advertising on initiation of smoking and that the tobacco industry can refer to that body of literature rather than conducting new research.

(Plaintiff's Deposition Exhibit Number 55 was marked for identification.)

BY MR. ARNOLD:

Q: Let's go to the tobacco industry. I'd like to hand to you what I've marked as

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Exhibit 55. I'd like to show on the Elmo, you can see that this is a document – this is from the R. J. Reynolds Tobacco Company, October 6, 1982, it's from a Ms. D. S. Burrows, and if you look at the last page of the document – I'm sorry, the next page, you'll see that Diane Burrows is in the marketing development department for RJR, and I'd like to read to you from the first page, if you look at – and it indicates under the subject heading of NBER, and you can see that that stands for the National Bureau of Economic Research, Models of price sensitivity by age and sex, and then further down it has a summary of findings according to the NBER models, that teenagers and younger adult males are highly price-sensitive.

Do you see that?

A: Um-hum.

Q: Would you audibly answer for the record?

A: Yes, I'm sorry.

Q: And then you can see a heading that has children or teens, 12 to 17. Do you see that?

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A: Yes.
Q: And when you go to the next page of the RJR marketing document, I'll read into the record, quote, "But, the loss of younger adult males and teenagers is more important to the long term, drying up the supply of new smokers to replace the old. This is not a fixed loss to the industry: its importance increases with time. In ten years, increased rate per day would have been expected to raise this group's consumption by more than 50%," end of quote.
Did I read that correctly?
A: Yes, you did.
Q: Isn't Diane Burrows of the RJR marketing department - development department saying the same thing that the Surgeon General was saying, that the children are replacement smokers for those who quit or die?
MS. TYLER: Object to counsel's characterization of the document. It speaks for itself.
THE WITNESS: I don't know if I would go beyond what is here. This is part of a large document, and knowing how marketing departments function, I would say this is taken

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from some context that I don't know about.
BY MR. ARNOLD:
Q: And you're speculating, are you not?
A: I would not speculate -
MS. TYLER: Objection.
THE WITNESS: - about -
BY MR. ARNOLD:
Q: Well, let's go back to the document, please. I'll read the first sentence again under Conclusions. Quote, "But, the loss of younger adult males and teenagers is more important to the long term, drying up the supply of new smokers to replace the old," end of quote.
Now, there is no question that this author from the marketing development department of RJR is talking about replacement of the old with new smokers from that sentence. Isn't that correct?
MS. TYLER: Objection to the characterization of the document.
THE WITNESS: There is a reference to the supply of new smokers to replace the old, yes.

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BY MR. ARNOLD:
Q: And those new smokers are in part referred to as children. Isn't that correct?
A: I don't see that.
Q: Teenagers, and we go back to the front page of the document, when you see teens, you can see that they are referring to 12 to 17-year-olds. Do you see that?
MS. TYLER: Objection.
BY MR. ARNOLD:
Q: Then when you come back to that page that I just quoted to you from, they are referring to younger adult males and teenagers. Isn't that correct, that the word "teenager" appears?
A: In that sentence, yes, the loss of younger adult males and teenagers, yes, in that sentence.
Q: "Is more important in the long term, drying up the supply of new smokers to replace the old."
Do you see that?
A: Yes, I do.
Q: Now, I want to go back to Exhibit 57 and the Surgeon General's 1994 report. If

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you look there, the Surgeon General says, quote, "Since most smokers try their first cigarette before age 18, young people are the chief source of new consumers for the tobacco industry, which each year must replace the many consumers who quit smoking and the many who die from smoking-related diseases."
Don't you see a connection there?
MS. TYLER: Objection.
THE WITNESS: I see 12 years difference between these two documents, to begin with. Could you tell me what page that line is on the Surgeon General's report, please?
BY MR. ARNOLD:
Q: Page 8.
A: I don't think these are saying exactly the same thing, and, in fact, I wouldn't speculate about the connection between the two. I see some words that are the same. I see some of the - maybe phrases that are the same, some references, but I'm not sure why you are linking these two documents.
Q: You've testified for the - on behalf of the tobacco industry three times?
A: I have been deposed. I've never

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testified.
Q: Deposed three times?
A: I think I mentioned –
Q: I can't remember. Three times?
A: I thought it was four.
Q: Okay, four times. Is that correct?
Have you ever been told that children are replacement smokers for those who die or quit smoking –
MS. TYLER: Objection.
BY MR. ARNOLD:
Q: – before today?
MS. TYLER: Objection.
THE WITNESS: Have you told me that? No.
BY MR. ARNOLD:
Q: Has anyone ever told you that?
A: No.
Q: Have you ever read that before?
A: I have read that.
Q: And that is of critical importance, isn't it, to you in your field of advertising to make sure that advertising, in fact, is not appealing to children smokers?

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A: No, I – I think it's a lot more complex than what you are attempting to boil it down to. It's a very simple but broad statement that you're making. I've read that a lot. I've heard that a lot. To connect that with advertising and the effect on smoking is a totally different issue, and that's what you seem to be attempting to do here.
Q: You would agree with me that the Surgeon General is a reliable source of information regarding smoking and health in the United States of America?
MS. TYLER: Objection, vague, overbroad.
THE WITNESS: I think regarding health issues, the Surgeon General is a very credible source of information for many people.
BY MR. ARNOLD:
Q: Is your answer yes to my question?
MS. TYLER: Objection, asked and answered.
THE WITNESS: I believe I worded my answer just a little bit differently.
BY MR. ARNOLD:
Q: I think you may have therefore not

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answered my question.
A: Oh, no, I don't feel that was not an answer to your question. I want to answer your questions. I'm having trouble today, because some of the questions are very broad, and when I'm answering them, I'm trying very hard not to misstate, and in doing that, sometimes I may have to reword to become more specific, because there are some very complex issues here, and as I sit here and tell you I can't respond to some of the questions, it's – there's really a lot behind that when I tell you I can't respond. There are some complexities involved that you're not always touching on. So, if I answer, pardon me for changing the wording somewhat, because I would like to be more specific in what I say to you. I'm sorry.
Q: I am going to move to strike that as being nonresponsive and ask the question be read back to the witness.
MS. TYLER: I think Dr. Henke's answer was perfectly responsive and was, in fact, a valiant effort in trying to explain to counsel that his questions are vague, overbroad and in many cases incomprehensible.

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THE WITNESS: I was trying to be polite.
(The record was read as follows:)
"QUESTION: You would agree with me that the Surgeon General is a reliable source of information regarding smoking and health in the United States of America?"
MS. TYLER: Objection, asked and answered. You can answer to the extent your answer would be any different.
THE WITNESS: Here is an example of why I have changed the wording of that question in answering it. Credibility is something that is determined by the individual. For many people, on issues of health, the Surgeon General is a highly credible source of information, and to that extent, I agree that the Surgeon General is a credible source of information.
BY MR. ARNOLD:
Q: I'd like to show you from Exhibit 41, which is the Surgeon General's 1989 report
MS. TYLER: What page are you on?
MR. ARNOLD: Page Roman (v).
THE WITNESS: Okay.

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BY MR. ARNOLD:
Q: And I'll read to you, quote, "Research has shown that one-fourth or more of all regular cigarette smokers die of smoking-related diseases," end of quote. Did I read that correctly?
A: Yes, you did.
Q: And that's another reason why children shouldn't smoke, because it's hazardous to health, isn't it?
MS. TYLER: Objection.
THE WITNESS: I –
MS. TYLER: Outside the scope of her expertise.
THE WITNESS: I think I've told you my personal opinion is that people shouldn't smoke.
BY MR. ARNOLD:
Q: And that includes children?
A: That includes children.
Q: And that's another reason why – that's another reason why the cigarette manufacturing industry should not attempt to psychologically manipulate children to smoke. Do you agree?

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MS. TYLER: Objection, vague, assumes facts not in evidence.
THE WITNESS: It sounds like you are implying that they do attempt to psychologically manipulate children to smoke, and I can't answer with that assumption as part of the question.
BY MR. ARNOLD:
Q: Hypothetically, if they do manipulate children to induce them to smoke –
MS. TYLER: Objection.
BY MR. ARNOLD:
Q: – the Surgeon General's statement that that leads to death of one-quarter or more of regular cigarette smokers is another reason why advertising should not appeal to children, isn't it?
MS. TYLER: Objection to form.
THE WITNESS: In this question, you're discussing advertising's appeal to children, you are discussing the effect of advertising on smoking initiation, you are combining a lot of issues which are not in the statement that I see before me.
MR. ARNOLD: Move to strike that as being totally nonresponsive and ask the question be read back.

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(The record was read as follows:)
"QUESTION: Hypothetically, if they do manipulate children to induce them to smoke the Surgeon General's statement that that leads to death of one-quarter or more of regular cigarette smokers is another reason why advertising should not appeal to children, isn't it?"
MS. TYLER: I think her answer is entirely responsive to your question, as incomprehensible as it was.
THE WITNESS: I cannot possibly answer the question the way you've asked it.
BY MR. ARNOLD:
Q: Okay. Let me go on and read to you from the Surgeon General, quote, "The predecessor of this volume, The Health Consequences of Smoking, Nicotine Addiction, provided a comprehensive review of the evidence that cigarettes and other forms of tobacco are addicting and that nicotine is a drug in tobacco that causes addiction," and I am going to close the quote there.

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Did I read that correctly?
A: Yes, you did.
Q: And you are familiar with that literature, are you not?
A: To some extent.
Q: Do you agree that from your layman's point of view that cigarettes are addicting?
MS. TYLER: Objection, asked and answered at least three times.
THE WITNESS: We have been through this. I think – it's not my area of expertise. My personal opinion is that for some people it is very difficult to quit. I don't know what qualifies as addiction. I'm not a scientist, but there's sufficient evidence for me to recommend to my children not to smoke, although as I've told you, I don't have to do that, because they tell me how bad cigarettes are.
BY MR. ARNOLD:
Q: It goes on and the Surgeon General states, quote, "These two factors refute the argument that smoking is a matter of free choice. Most smokers start smoking as teenagers

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and then become addicted. By the time smokers become adults, when they would be expected to have greater appreciation of the health effects of smoking, many have difficulty quitting," and I am going to stop the quote there.

Did I read that correctly?

A: I believe you did, yes.

Q: Now, going back and looking at what the Surgeon General has said, he's said that most smokers start smoking as teenagers then become addicted. Now, is that your understanding, too?

MS. TYLER: Objection.

THE WITNESS: That is written by the committee who wrote the Surgeon General's report in 1989 and since then I think the research has begun to more precisely define terms for specific studies and specific statements. I wouldn't go beyond what's written here in inferring anything about what I believe.

BY MR. ARNOLD:

Q: If the tobacco industry collectively spends maybe $4 billion a year in advertising and the statistics that we've seen

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that – that many smokers start between – well, 50 percent to 68 percent under the age of 18, don't you think then it's incumbent upon the cigarette industry to check its advertising and see what effect it has on affecting the children's decision to smoke?

MS. TYLER: Objection, vague, assumes facts not in evidence, asked and answered.

THE WITNESS: Yes, I was going to say I believe I've answered that question before. There is a lot of evidence regarding the effects of advertising on smoking initiation, and I don't believe the industry would be adding much to the social science literature in conducting its own research, and besides, I don't know how the industry would do that without having it appear to be a marketing campaign.

BY MR. ARNOLD:

Q: My figure of $4 billion a year in advertising and promotion, does that sound about right to you?

A: Actually, I would like to see where that is from, because that seems to be combining

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several different kinds of marketing and – and probably combining brands.

Q: If – if it's advertising, promotion and marketing, would $4 billion as a collective annual expenditure by the tobacco industry sound about right?

A: I don't know. That seems awfully high.

Q: What's your figure?

A: I don't know.

MS. TYLER: Objection, vague. What year are we talking about?

MR. ARNOLD: Any year.

THE WITNESS: I don't know.

MR. ARNOLD: We need –

THE WITNESS: I don't know about that.

MR. ARNOLD: We need to change tapes now.

VIDEOGRAPHER: We are going off the record. This ends videotape number one. The time on the screen is 11:13:16.

(A brief recess was taken.)

VIDEOGRAPHER: Here marks the beginning of videotape number two in the

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deposition of Lucy Henke. The time on the screen is 11:17:34. You're on the record.

BY MR. ARNOLD:

Q: I'd like to hand to you what's been marked as Exhibit 31, which is the Philip Morris, Incorporated Response to Plaintiffs' First Requests for Production.

(Plaintiffs' Deposition Exhibit Number 31 was marked for identification.)

BY MR. ARNOLD:

Q: I'd like to draw your attention to page 45, and I'd like to show you under the Elmo – page 45?

A: Um-hum.

Q: – the heading that says Philip Morris, Incorporated's Advertising, Marketing and Promotional Expenditures for Cigarettes in the United States, and then there is two columns, one has a column of money and one has a column of dates.

Do you see that?

A: Yes.

Q: Did I read that correctly?

A: Yes.

Q: And I would like to show you the

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next page, 46, and at the bottom of page 46, you can see that for the year 1996, those expenditures were $2,209,626,447. Do you see that?
A: Yes.
Q: Did you know that before today?
A: Actually, I have seen this document, but - so, I suppose I have seen that figure.
(Plaintiff's Deposition Exhibit Number 30 was marked for identification.)
BY MR. ARNOLD:
Q: Then I'd like to show to you what we've marked as Exhibit 30, and that is the R. J. Reynolds Tobacco Company's Response to Plaintiffs' First Requests for Production, and I'd like to show you page 55 -
MS. TYLER: Counsel, I don't have a copy of that document.
MR. ARNOLD: You don't?
MS. TYLER: Nope. Thank you very much.
BY MR. ARNOLD:
Q: - page 55, and you can see that - and I'll just read part. It says, quote,

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"Annual expenditures on advertising and promotion of cigarettes," do you see that, end of quote?
A: Yes.
Q: And do you see 1997 the figure $447,487,000?
A: Yes.
Q: Were you aware of that before today?
A: I don't think I've seen this, no.
Q: When did you see the Philip Morris document?
A: Actually, I'm wrong. I have not seen the Philip Morris document. I thought at first this was the complaint itself. I haven't seen this.
(Plaintiff's Deposition Exhibit Number 32 was marked for identification.)
BY MR. ARNOLD:
Q: I'd like to direct your attention to Plaintiffs' Exhibit 32 and direct your attention to the face sheet that says, "Comes now, Lorillard Tobacco Company."
Do you see that?
A: Yes.

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Q: And I'd like to draw your attention to interrogatory number 22 of Lorillard's answer, and it says - do you see where it says, "Advertising, marketing and promotional expenditures. Lorillard total expenditures as provided to the government are set forth below," do you see that?
A: Yes.
Q: And then they have the year in total. Then on the next page, page 33, do you see the figure for 1995?
A: Yes.
Q: That it's $311,487,207? Do you see that?
A: Yes, I do.
Q: So, there is sizeable expenditures made for advertising, marketing and promotion of cigarette products in the United States. Is - would you agree with that?
MS. TYLER: Objection, vague.
THE WITNESS: That's a sizeable amount of money.
(Plaintiff's Deposition Exhibit Number 13 was marked for identification.)
BY MR. ARNOLD:

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Q: I'd like to show you what is marked as Exhibit 13. If you look at Exhibit 13 under the Elmo, you can see that it's dated October 15, 1987. Do you see that?
A: Um-hum, yes.
Q: And it's entitled Project LF Potential Year 1 Marketing Strategy?
A: Yes.
Q: And then you go down to the highlighted part of the document, do you see where I highlighted it?
A: Yes.
Q: It says that, "Project LF is a wider circumference, non-menthol cigarette targeted at younger adult male smokers (primarily 13-24 year old male Marlboro smokers.)"
Do you see that?
A: Yes.
Q: Now, this is an indication, isn't it, that RJR has a product that they want 13, 14, 15, 16, 17-year-old children, in part, to buy, isn't it?
MS. TYLER: Objection, totally mischaracterizes the document. It speaks for

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itself.
THE WITNESS: I'm not –
MS. TYLER: And I don't have a copy of that document, by the way, Counsel. May I please have a copy? Thank you.
THE WITNESS: I have no idea where this comes from or in what context you would find the original document, and I'm very reluctant to draw any meaning from this beyond what's written.
BY MR. ARNOLD:
Q: Well, let's look at what's written.
A: Um-hum.
Q: It says that there's a cigarette targeted – do you understand that, correct? – at younger adult male smokers, primarily 13-24 year old male Marlboro smokers.
Do you see that within the document?
A: I do.
Q: They are – the author is explaining the intention of RJR to target a cigarette in part to 13 year-olds. Isn't that the meaning you glean from it when you read it?

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MS. TYLER: Objection, mischaracterizes the document. It speaks for itself.
BY MR. ARNOLD:
Q: Let's go back and look at the document. Doesn't it say 13 to 24 year-old males?
A: I see what the document says, and it does say 13 to 24 year-old male Marlboro smokers. It's a reference to Project LF. I have no idea what Project LF is, if it's an RJR project. I mean, really, the – I – I really don't know in what context this fits, and I'm very reluctant to speculate about where it went, who wrote it, what it meant ultimately.
Q: Don't you need to know the intentions of the cigarette manufacturing industry with respect to selling or marketing cigarettes to children in order to assess what their advertising may or may not do with respect to children?
MS. TYLER: Objection, vague, overbroad, assumes facts not in evidence.
THE WITNESS: Actually, specifically –

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MS. TYLER: Calls for speculation.
THE WITNESS: – I – the way that you've stated that, you've again combined a couple of concepts that do not necessarily equate.
BY MR. ARNOLD:
Q: If the cigarette manufacturing industry has a strategy of targeting children to sell cigarettes and they spend $4 billion a year advertising, marketing and promoting, then don't you need to be concerned that that advertising may appeal to children?
MS. TYLER: Objection.
THE WITNESS: I think I would be more concerned whether appeal of advertising translates into anything such as smoking, and I think there's a lot of research which indicates the effect of advertising on children.
BY MR. ARNOLD:
Q: If it is a strategy of the cigarette manufacturing industry to spend billions of dollars to influence children to buy their product, if that's true, are you saying that that expenditure of billions of dollars is worthless?

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MS. TYLER: Objection.
THE WITNESS: First of all, you're making a very large assumption that the tobacco companies are spending billions of dollars to attract children to the – to the product, which is a – an assumption that I won't agree with you on.
BY MR. ARNOLD:
Q: I have –
A: And it makes the rest of that question very difficult to answer.
Q: I have to move to strike that as being nonresponsive. It's a hypothetical, and I'm asking you to assume that if the cigarette manufacturing industry is targeting children to buy their cigarette products, are you saying then that the billions of dollars spent marketing, promoting and advertising cigarettes is ineffectual to appeal to children?
A: I'm sorry, you have combined so many different ideas in that question that I – I can't answer that unless you break it down and you become more specific and you define your terms a little bit better.
Q: You're not suggesting that the

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tobacco industry, which is a sophisticated advertiser spending billions of dollars, would spend billions of dollars without learning about the effectiveness of their expenditures, are you?

MS. TYLER: Objection, vague and overbroad.

THE WITNESS: I don't know - I didn't even think we were talking about that. It seemed to me you're implying that the tobacco industry is spending billions of dollars to attract children and that this is the primary focus of the advertising that they do, and going from there is - there are a number of other issues that you're trying to combine, effectiveness and effect and targeting.

BY MR. ARNOLD:

Q: Move to strike as being nonresponsive.

Are you suggesting - well, strike that.

You would agree with me that the tobacco industry is a sophisticated advertiser spending billions of dollars in marketing and advertising their products?

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MS. TYLER: Objection, vague.

THE WITNESS: Many companies who - which advertise cigarette brands are very experienced at advertising, and some methods are sophisticated, some are not. It depends on exactly what you're talking about.

BY MR. ARNOLD:

Q: Do you think the tobacco industry is sophisticated in the way they advertise, market and promote their products?

A: There are a lot of elements in the tobacco industry that you're talking about, and in evaluating any company I would want to know specifically which campaigns are you discussing.

Q: Well, in general.

MS. TYLER: Objection.

BY MR. ARNOLD:

Q: Do you believe that the tobacco industry is a sophisticated advertiser, promoter and marketer of its products?

MS. TYLER: Objection, assumes facts not in evidence.

THE WITNESS: That would be like asking me if the automobile industry is a sophisticated advertiser and promoter of its products. What part of the industry? In what promotions? In what advertising? There are some successes and some failures, some effective means of advertising, some not.

BY MR. ARNOLD:

Q: In general.

A: I can't answer that in general. That's a specific issue.

Q: If the cigarette manufacturing industry spends billions of dollars promoting, advertising and marketing its products, do you believe they would do that without assessing the effectiveness of their expenditures?

MS. TYLER: Objection, assumes facts not in evidence, vague, overbroad.

THE WITNESS: An advertiser who wishes to be cost-efficient would be well advised to test effectiveness of an ad campaign, and that's the advice that's given in most textbooks.

(Plaintiffs' Deposition Exhibit Number 15 was marked for identification.)

BY MR. ARNOLD:

Q: I'd like to hand to you what we have marked as Exhibit 15 and put it under the Elmo, and you can see from this document that it is an interoffice correspondence of the R.J. Reynolds Tobacco Company dated July 22, 1980.

Do you see that?

A: Yes, I do.

Q: And I want to direct your attention to the author of the letter, G. H. Long. Do you see that?

A: Yes.

Q: I want you to assume that Mr. Long was to eventually become president of this company, and at the time he wrote this letter, he was in marketing, and that it's directed to a Mr. E.A., and it says Morrigan, but assume it's Horrigan, Senior, who was the president of the company at the time this letter was written, all right?

A: Okay.

Q: So, this is a communication on a high corporate level, would you agree with what I've said if I have said is true?

MS. TYLER: Objection.

BY MR. ARNOLD:

Q: You don't think the president is a

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high-level corporate official?
MS. TYLER: Objection, misstates the question.
THE WITNESS: As I understand it, the person who's communicating is at this point not. Isn't that what you told me?
BY MR. ARNOLD:
Q: I'm saying is it – is that that man was in the marketing department and held – let's assume he held a supervisory position. Can you assume that with me?
A: All right, I'll assume that with you.
Q: And it's being written to the president of the company. Can you assume that with me?
A: Yes.
Q: Wouldn't you think that anything going to the president of the company has some significance to the business of the corporation?
MS. TYLER: Objection, vague and overly broad.
BY MR. ARNOLD:
Q: In general.

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MS. TYLER: Objection.
THE WITNESS: That's a very broad question, but I will say that based on my experience in companies, there are a lot of memos that go to the president from all kinds of people and all kinds of topics, and the fact that it's sent to the president is not really an indication of its caliber.
BY MR. ARNOLD:
Q: Let's go back to the Elmo, if we could, and I'd like to show you the subject of this correspondence, and it says, quote, "MDD," and I want you to assume that's market development department, "MDD Report on Teenage Smokers (14-17)" do you see that?
A: I do.
Q: And do you see where I have – I am going to read the whole thing in the record, and it says, quote, "Attached is the MDD report covering the aforementioned subject. Last January, a report was issued on this subject that indicated that Philip Morris had a total share of 59 among 14-17 year old smokers, and specifically, Marlboro had a 52 share. This latest report indicates that Philip Morris'

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corporate share has increased by about four points; however, Marlboro remains the same at 52."
Did I read that correctly?
A: Yes, you did.
Q: And this letter going to the president of RJR is tracking market share of a Philip Morris product among 14 to 17-year-old children. Is that correct?
MS. TYLER: Objection to the mischaracterization of the document, it speaks for itself, and I also want to state an objection on the record that this document refers to an MDD report. At the bottom it states it has an attachment. The attachment has not been provided, and Counsel has repeatedly asked this witness to refer to documents which are incomplete and has not provided the witness sufficient time to review even the incomplete pages that have been provided.
BY MR. ARNOLD:
Q: I'll bet you forgot the question now.
A: I don't think – was is there a question? I thought you said is that right.

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Q: And your answer?
A: Did – that you read that correctly? I assume that you read that correctly, yes.
Q: This is a – a memo, so to speak, going to the president of the company indicating what the market share of Philip Morris is among 14 to 17 year-old smokers, isn't it?
MS. TYLER: Objection.
THE WITNESS: You've told me it's the president of the company. It states that a report was issued last January. It indicated Philip Morris had a total share of 59 among 14 to 17 year-old smokers.
BY MR. ARNOLD:
Q: Now, you're an advertising expert, correct?
A: Yes.
Q: And you understand what market share means, correct?
A: Yes.
Q: And what this is doing is looking at what the market share of – that Philip Morris has among 14 to 17 year-old smokers, isn't it?

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A: In some place from some report that I don't know about, whether it's a certain geographic area or time frame or spillover from a national study, where they've pulled this information together. I have no idea what that represents. I would not say, I think as you just said, that it's a share of Philip Morris, period. I think that's a little general and can be taken in a lot of different ways. I have no idea what the source of this is.

Q: I move to strike that as being nonresponsive and ask that the question be read back to the witness and that the Elmo show the document so that the jury may see it as this witness is testifying.

MS. TYLER: I think her answer was entirely responsive to your question. She has expressed to you that she's having difficulty with your question because it contains a host of assumptions which are improper and that there is a great deal of information which she does not have access to which she needs to answer your question.

(The record was read as follows:)

"QUESTION: And what this is doing

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is looking at what the market share of – that Philip Morris has among 14 to 17 year-old smokers, isn't it?"

MS. TYLER: Same objection.

THE WITNESS: And my answer will stand.

BY MR. ARNOLD:

Q: The answer is yes?

MS. TYLER: Objection.

THE WITNESS: My answer is not that I –

MS. TYLER: Objection, asked and answered, and I ask that counsel not mischaracterize her answer.

BY MR. ARNOLD:

Q: Why don't we look at this a little more closely.

A: Okay.

Q: The document says, "Last January, a report was issued on this subject that indicated that Philip Morris had a total share of 59 among 14-17 year-old smokers."

Now, that would refer to a market share, wouldn't it, from your vantage point as an expert on advertising?

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MS. TYLER: Objection, vague.

THE WITNESS: Even within this document there is discussion of corporate share and specific brand share. I don't know without seeing the original report what this is a reference to.

BY MR. ARNOLD:

Q: You know what the title of the report is. It's MDD Report on Teenage Smokers (14-17) that is the general subject, isn't that correct?

A: That is correct.

Q: I'd like to go to the document again and read to you where it says, "Importantly, the report further indicates that RJR continues to gradually decline, and between the spring and fall 1979 periods, RJR's total share declined from 21.3 to 19.9."

Did I read that correctly?

A: Yes, you did.

Q: Now, from a vantage point of being an expert in advertising, looking at that sentence, given that the subject is a report on teenage smokers, wouldn't you understand this to mean that the RJR market share of teenage

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smokers was declining?

A: It wouldn't –

MS. TYLER: Objection, the document speaks for itself.

THE WITNESS: I wouldn't take it beyond what I see here, and what I see here causes me to question what they are talking about to begin with. It could be share of some viewing audience. It can be share of any of a number of things.

BY MR. ARNOLD:

Q: And it could be a share of 14 to 17 year old teenagers, couldn't it?

A: Well, but they can also be within some medium, viewing within some geographic area. I – I have no idea what this is a reference to.

Q: Have you ever seen these kinds of documents before today?

A: What do you mean by "these kinds of documents"?

Q: Documents indicating the market shares of 14 to 17 year-old smokers.

MS. TYLER: Objection, mischaracterizes the document.

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THE WITNESS: If – I may have seen documents similar to this. I've seen a lot of documents that are considered internal documents. I'm – I don't know if I've seen this or not before.

BY MR. ARNOLD:

Q: Then it goes on to say, "Hopefully, our various planned activities that will be implemented this fall will aid in some way in reducing or correcting these trends."

Do you see that?

A: I do.

Q: Now, if that relates back to the subject teenage smokers, 14 to 17, then this would be an indication of a company strategy to market to children, isn't it?

MS. TYLER: Objection, the document speaks for itself. It calls for speculation.

THE WITNESS: I would never take this as an indication of any company strategy.

BY MR. ARNOLD:

Q: And if that were a company strategy, then that would logically mean then that this is a company over the years spending billions of dollars in an attempt to market to

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children.

A: I think that's a very broad leap, to say that this document is an indication that millions of dollars are spent to market to children. I don't see that the two are related at all, and I feel irresponsible attempting to go anywhere beyond what's written on this page. I – a lot of things are written within corporations that are tossed, are disregarded, are not asked for. I've seen a lot of them, and I have no idea what context this is found in.

Q: We know that more than a majority of new smokers start as children from the statistics we saw from the JAMA article. Isn't that correct?

A: A majority of new smokers start as children?

Q: Correct.

A: I've seen a lot of figures estimating percentages of smokers would begin before the age of 18.

Q: The JAMA article I showed you said that 24 year-old smokers who were surveyed, that 68 percent of them started as children.

MS. TYLER: Objection.

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BY MR. ARNOLD:

Q: Remember that?

A: I'd want to look specifically at the paragraph, but there was a reference to 68 percent of 24 year-olds. I'm not sure what –

Q: If a majority of new smokers are children, 17, 16, 15, 14, 13, maybe lower, and we see documents where a cigarette company is trying to increase its market share of children smokers, then that would suggest, wouldn't it, that the marketing strategy is one to sell and market to children, isn't it?

MS. TYLER: Objection, assumes facts not in evidence and calls for speculation. You may answer.

THE WITNESS: I would suggest that's a very loose and nonscientific approach to a collection of documents that you have shown me that I wouldn't connect in that way.

BY MR. ARNOLD:

Q: Do you believe that a majority of new smokers are children?

MS. TYLER: Objection, vague.

THE WITNESS: I don't think I've really seen data on that. I've seen a lot of

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figures regarding the initiation of smoking before the age of 18. I don't know what percentage of those quit, what percentage are experimenters, and it always depends on the definition of smoking that is in the particular article that you're reading.

BY MR. ARNOLD:

Q: Shouldn't you need to know that in order to assess whether advertising is having an effect upon children, inducing them to smoke?

MS. TYLER: Objection.

THE WITNESS: I don't think I would need to know the number of people initiating smoking before 18 to assess the effects of advertising at all. I think that's a totally different question.

(Plaintiffs' Deposition Exhibit Number 26 was marked for identification.)

BY MR. ARNOLD:

Q: I'd like to hand to you what I've marked as Exhibit 26 and put that under the Elmo.

MS. TYLER: Can I have a copy, Counsel? Thank you.

BY MR. ARNOLD:

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Q: This is from the Journal of the American Medical Association dated December 11, 1991.
A: Yeah.
Q: And I'd like to show you the title of the article, which is, quote, "RJR Nabisco's Cartoon Camel Promotes Camel Cigarettes to Children," unquote.
Do you see that title?
A: I do.
Q: And I read that correctly?
A: Yes.
Q: And do you see in the highlighted portion here, I'll say quote, "Objectives - To determine if RJR Nabisco's cartoon theme advertising is more effective in promoting Camel cigarettes to children or to adults," do you see that?
A: Yes, I do.
Q: Then when you go down to the highlighted portion here, it says, "Camel's share of the illegal children's cigarette market segment has increased from 0.5% to 32.8%, representing sales estimated at $476 million per year," end of quote.

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Now, did I read that correctly?
A: I think so, yes.
Q: That's indicating a great success in increasing the market share of cigarette smokers of Camel products. Is that correct?
MS. TYLER: Objection.
BY MR. ARNOLD:
Q: That's what the article is saying.
MS. TYLER: Objection.
THE WITNESS: No, the article is saying that Camel's share has increased from 0.5 percent to 32.8 percent.
BY MR. ARNOLD:
Q: And that is dramatic, isn't it?
MS. TYLER: Objection.
BY MR. ARNOLD:
Q: That change, if it's true.
A: There is an assumption that I cannot accept.
Q: If you assume that the market share of the illegal children's market went from a half a percent to 32.8 percent, that is a dramatic change, isn't it?
A: Well, I should say that I will not assume much from this article to be accurate,

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and there has been a great deal written in the social science literature, in fact, about this specific article, and I believe the credibility of the author and this article, in particular, have been called into question.
Q: I am going to move to strike that as being nonresponsive and that the question be read back to the witness and that a responsive answer be given.
MS. TYLER: Dr. Henke's answer was entirely responsive.
(The record was read as follows:)
"QUESTION: If you assume that the market share of the illegal children's market went from a half a percent to 32.8 percent, that is a dramatic change, isn't it?"
BY MR. ARNOLD:
Q: Are you refusing to answer the hypothetical?
A: No, I'm trying to think of a better way to explain that because of that assumption, which I cannot accept. Because of the credibility of this author in this article, I am reluctant to follow up with your suggestions in answering the question.

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MR. ARNOLD: I'll move to strike that, and I would want this noted for the record at this point, if you would, for ease of reference.
BY MR. ARNOLD:
Q: Do you have any information to refute the fact that sales of Camels to children were $476 million per year profit? Let me strike that and make it a little clearer.
Do you have any evidence to indicate that RJR did not make $476 million per year from the sale of Camel cigarettes to children?
MS. TYLER: Objection.
THE WITNESS: I have no evidence to suggest whether this is accurate or inaccurate at this moment.
BY MR. ARNOLD:
Q: Has RJR provided to you statistics showing what their profit may be from the sale of Camel cigarettes to children?
MS. TYLER: Objection.
THE WITNESS: No.
BY MR. ARNOLD:
Q: Has RJR provided you statistics as

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a change in their market share of Camels sold to children?
A: No.
Q: I'd like to ask you whether one can gauge the success of advertising by the profit made.
MS. TYLER: Objection, vague.
THE WITNESS: Actually, the traditional approach to gauging the effectiveness of advertising involves assessing how well the campaign meets communication objectives.
BY MR. ARNOLD:
Q: Does one advertise in order to increase one's profitability, in general?
A: That may be one goal of an ad campaign, which is part of actually the marketing campaign, but generally ad campaign objectives are not stated in terms of profit or sales.
Q: May those objectives be stated in increases of market share?
MS. TYLER: Objection.
THE WITNESS: Generally not. Advertising campaign objectives are

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communication based.
BY MR. ARNOLD:
Q: And you communicate for a purpose, I bet you.
MS. TYLER: Objection.
BY MR. ARNOLD:
Q: That's to make some money, isn't it, in a business setting?
MS. TYLER: Objection.
THE WITNESS: There are a lot of different reasons for advertising. Campaign goals are stated in terms of communication goals.
BY MR. ARNOLD:
Q: If I am trying to determine the success of my marketing, would one measure be the change of market share?
A: A marketing campaign may have as an objective a shift in market share, among other things.
Q: And the bottom line is generally to make a profit for the company, isn't it?
A: It depends.
(Plaintiffs' Deposition Exhibit Number 45 was marked for identification.)

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BY MR. ARNOLD:
Q: I'd like to show you what's been marked as Exhibit 45.
MS. TYLER: I have it.
BY MR. ARNOLD:
Q: This is a RJR document, can you see?
A: Yes.
Q: And it's dated March 16, 1992, and the author is Thomas C. – I think it's Griscom executive vice president, external relations. Do you see that?
A: Yes.
Q: And attached to that document, do you see the heading Percent of Camel Volume Underage?
A: Yes.
Q: This information was not provided to you, was it?
A: No.
MS. TYLER: Objection.
BY MR. ARNOLD:
Q: I'd like to show you a column that says Number of Smokers Underage, 12-17. Do you see that?

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A: Yes, I do.
Q: And on the right-hand side is a figure, do you see that?
A: $2,389,000?
Q: Yes.
A: Yes.
Q: And I'd like to show you further within the column, it looks like it's F, it says, "Percentage of Total Cigarettes Accounted for by Underage Smoker," and then there's a figure that says "Camel's Share-of-Market Among Underage Smokers," and it says 7.9 percent. Do you see the 7.9 percent?
A: Um-hum, yes.
Q: And once again, this is information not provided to you?
A: I don't think I've seen this.
Q: Then do you see where it says, "Percentage of Camels Bought by Underage Smokers"?
A: Yes.
Q: And that it says 2.2 percent, do you see that?
A: Yes.
Q: And that was not information

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provided to you, was it?
A: No.
(Plaintiffs' Deposition Exhibit Number 42 was marked for identification.)
BY MR. ARNOLD:
Q: And I'd like to show you what's been marked as Exhibit 42, and this is a -
MS. TYLER: I do not have a copy of that.
MR. ARNOLD: I'm sorry.
MS. TYLER: Thank you.
BY MR. ARNOLD:
Q: - an RJR document, and you can see that it's dated July 31, 1980. Do you see that?
A: Yes, I do.
Q: And do you see that the subject is Addendum for Report, Teenage Smokers (14-17) and New Adult Smokers and Quitters?
A: Yes.
Q: And it states, first paragraph, quote, "Following is an analysis of teenage smokers and new adult smokers and quitters for Camel, Vantage, More and Now," end of quote. Did I read that correctly?

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A: Yes.
Q: And those are RJR products?
A: I'm not sure.
Q: How about Camel, do you recognize Camel?
A: Yes, that one we've got.
Q: Then it goes down and it says "Summary of findings," and then it says, "Neither, Camel, Vantage, More or Now account for a very large portion of the teenage smokers. Camel has the largest share of 2.4 percent of teenage smokers in the fall, 1979," end of quote.
Do you see that?
A: Yes.
Q: Now, this is basically looking at the market share of children smokers, in part, isn't it?
MS. TYLER: Objection to the characterization of the document. It speaks for itself.
THE WITNESS: It's teenage smokers 14 to 17.
BY MR. ARNOLD:
Q: Is that correct? When you look at

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the next page, it says, "Smoking Among the 14-17 Age Group," and it says, "Share of Four RJR Brands Among 14-17 Year Old Smokers," then it says, "Share Among 14-17 Year Old Smokers," share among - and then you see those headings, and it obviously keeps repeating 14-17.
Do you see that?
A: I do.
Q: Have you seen this information before today?
A: I don't think so.
Q: Wouldn't you agree with me that RJR documents that we've seen here today are looking at the market share of teenage smokers?
MS. TYLER: Objection, vague.
THE WITNESS: Excuse me, I'm not even sure you told me this was an RJR document. I think J. B. Stewart might be an advertising agency person.
(Plaintiffs' Deposition Exhibit Number 9-A was marked for identification.)
BY MR. ARNOLD:
Q: I'd like to show you what I've marked as Exhibit 9-A, and you certainly have seen this before, have you not?

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A: I probably have seen something like it anyway.
MS. TYLER: Do you have a copy for the witness, because she again can't see my monitor. It's too far away for her to see.
BY MR. ARNOLD:
Q: Can you see it?
A: Right.
Q: And you have seen that before, haven't you?
A: Something like that, yes.
Q: And you've seen something that looks like 9-B, have you not?
A: I believe someone showed me that specific one, yes.
Q: And it's your understanding, isn't it, that these are advertising that was part of the Joe Camel marketing effort?
A: Those I recognize as Joe - Joe Camel.
Q: And if RJR Camel market share of children has gone up dramatically as an advertising expert, wouldn't you want to look at their media campaign to see if it appealed to children?

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MS. TYLER: Objection, vague, overly broad.
THE WITNESS: There are a lot of assumptions in there, but let me see if I can respond to that anyway. First, you'd like me to assume that the market share has gone up, the market share of Camel cigarettes has gone up among children, which you've defined as 17 and under, so underage smokers, and I'm not sure whether it's based on the DiFranza document, which starts at zero, so that anything is going to be a substantial increase in terms of percentages.
Secondly, would any increase encourage the tobacco companies to investigate whether their advertising is causing the increase, I would refer to some earlier responses I've given that there is a great deal of evidence to suggest that the advertising is not the cause of initiation of smoking.
BY MR. ARNOLD:
Q: Do you believe it's the cause of brand switching?
MS. TYLER: Objection, vague.
THE WITNESS: For some people in

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some circumstances, ad campaigns may contribute to decisions regarding brand switching.
BY MR. ARNOLD:
Q: Encourage children smokers to switch brand?
MS. TYLER: Objection to form.
THE WITNESS: What may encourage children smokers to switch brands?
BY MR. ARNOLD:
Q: Advertising.
MS. TYLER: Objection, vague.
THE WITNESS: Again, definitions, children, 17, 16, and furthermore, you're talking about smokers. Somebody who's decided to enter the product category and smoke may be more attentive to information in advertising and use that to make decisions about cigarette brands. That may be one of the –
BY MR. ARNOLD:
Q: It would be –
MS. TYLER: Can you let her finish her answer, please?
THE WITNESS: It may be one of the bits of information used in brand switching or brand loyalty.

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BY MR. ARNOLD:
Q: It would be immoral for a cigarette manufacturer to advertise in order to get children to switch to its brand of cigarette, would you agree with that?
MS. TYLER: Objection, vague and overly broad, assumes facts not in evidence.
THE WITNESS: I think the answer to that depends on a number of things, whether you're talking about, for example, the United States or other countries and what is legal or what is illegal, who are children or your definition, whether there is a concerted effort to cause a particular child to smoke. The implication seems to me to be that there is an effort to cause children to smoke. There's an assumption that needs to be examined.
BY MR. ARNOLD:
Q: Okay, I move to strike that as being nonresponsive, and if it might help, we are talking about the United States of America.
A: Okay.
Q: Wouldn't you agree that if cigarette manufacturers are advertising to induce children to switch brands and smoke its

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cigarette, that would be immoral?
MS. TYLER: Objection to form.
THE WITNESS: You know, this is a legal product that is legally advertised. It's very difficult to focus on a legal target without – with a guarantee that underage smokers will not see the ads. I – I don't think that – I think that there are a number of assumptions there that make the question very difficult to answer.
MR. ARNOLD: Move to strike as being nonresponsive, and I'll try to formulate a question.
MS. TYLER: Dr. Henke's answer was entirely responsive, and she has tried to answer two or three times now.
BY MR. ARNOLD:
Q: If a cigarette manufacturer knowingly uses pure values of young children, teenagers, in order to induce them to switch brands of cigarettes, to smoke its brand, that would be immoral, wouldn't it?
A: How does one use pure values to induce smoking? I'm not sure what you mean by that.

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Q: To switch brands.
MS. TYLER: Objection.
THE WITNESS: I'm not sure how one would use pure values to induce switching or any behaviors.
BY MR. ARNOLD:
Q: To – let me form another question.
If a cigarette manufacturer seeks to use advertising to psychologically induce children to switch brands and smoke its cigarette, that would be immoral.
MS. TYLER: Objection.
THE WITNESS: I have a problem with the term "psychologically induce."
BY MR. ARNOLD:
Q: Is this another question you can't answer?
A: Well, these questions are pretty broad and as I said, there are some complex issues that are involved here and I'm trying to answer your questions, but many times they are very difficult.
Q: So, answer, please.
MS. TYLER: Asked and answered.

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THE WITNESS: A term like "psychological inducement" is something that is – I don't understand what you mean by that.
BY MR. ARNOLD:
Q: Okay, now you have a Ph.D. in advertising, marketing –
A: Communication studies.
Q: – communication studies, and a subpart of that would be advertising and marketing?
A: (Witness nods head.)
Q: You have to audibly answer, because there's a record. There's a written record and a video record, you have to remember that.
A: Yes.
Q: It would be wrong for a cigarette manufacturer to attempt to create an image of a cigarette smoker that would induce a child who has lower self-esteem to try to emulate that image by smoking? That would be immoral, wouldn't it?
A: Well, you have got a couple of – again, a couple of issues here in this question. Would it be immoral for a cigarette manufacturer to design a campaign which may have

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some effect on different segments of the population? I guess morality is going to be an individual, personal opinion based on specific circumstances and intent and effect and any number of things which are implied but not stated in your question. And the way that you've stated that, there are many products which are advertised which may affect children which are not necessarily intending to affect children. It's – so, I find that very broad.
Q: Are you done in your response?
A: (Witness nods head.)
Q: Do advertisers sometimes use the principles of psychology when designing advertising?
MS. TYLER: Objection, vague and overly broad.
THE WITNESS: Some advertisers rely on psychological principles or consumer behavior principles one would hope in designing ad campaigns.
BY MR. ARNOLD:
Q: And if a cigarette manufacturer intentionally designs advertising to appeal to children to switch cigarette brands and smoke

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its cigarettes, that would be immoral, wouldn't it?
MS. TYLER: Objection to form.
THE WITNESS: It just seems to me we have been over this before, and I'm trying – although it's not identified within a context that defines the specific circumstances that you're referring to, I would say that the morality or immorality of activities in an industry we hope are governed by legalities and that no matter what I say about what is moral or immoral, there will be someone to disagree with me, and we can have a healthy debate until the end of next week. I can't answer the question the way that you have posed it and posed it repeatedly.
BY MR. ARNOLD:
Q: You are not going to give me your opinion?
MS. TYLER: Objection.
THE WITNESS: My personal opinion would depend on a lot of the specifics of the question that you're – of the situation that you're posing.
BY MR. ARNOLD:

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Q: You find this to be a very troubling question?
MS. TYLER: Objection.
THE WITNESS: No, I don't find it to be troubling. I find it to be sort of broad, general conversation for a cocktail party without becoming very specific about circumstances, definition of terms.
BY MR. ARNOLD:
Q: You understand this is a very serious matter we're here today and this is not a cocktail party?
A: Absolutely, and that is why I am trying very hard to understand the definitions as you see them and to not misstate my opinions, whether they're personal opinions or expert opinions. And because of the vague nature of some of these questions, I am having difficulty being accurate.
Q: You understand what moral or immoral means?
A: I think that we all have a definition of what is moral or immoral and it depends on the specific situation and what the activities are that's under question and who's

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involved and what time period and many things.
Q: One method for a cigarette manufacturer to determine whether its advertising and marketing is effective is to perhaps use focus groups?
MS. TYLER: Objection, vague and overly broad.
THE WITNESS: No, actually, that's not generally used as a test of effectiveness. Usually focus groups are at a different point in the research sequence.
BY MR. ARNOLD:
Q: How would you use a focus group in an advertising and marketing campaign?
A: A focus group is usually best used to acquire insights into the consumer that one normally might not glean from a traditional survey.
Q: So, to gain knowledge of the consumer.
A: Well, it's one type of knowledge, and there are a lot of qualifications that are attached to focus groups and what you can learn from them. There are a lot of limitations that one should be aware of.

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(Plaintiffs' Deposition Exhibit Number 49 was marked for identification.)
BY MR. ARNOLD:
Q: Let me hand you what's been marked as Exhibit 49, and you can see that this is a document entitled Marketing Research Report, February 1, 1985, entitled Camel Younger Adult Smoker Focus Groups, and you can see that down at the bottom of the document that it's published by the Marketing Development Department, R. J. Reynolds Tobacco Company, Winston-Salem, North Carolina.
Is that correct?
A: Yes.
Q: And can you see on the next page, you'll see a title there that says, "Camel Younger Adult Smoker Focus Groups."
A: Yes.
Q: And you can see the next page over, you'll see what's entitled the French Camels? Do you see that?
A: Yes.
Q: And it states, quote, "These ads were well received due to the fun/humor aspect of the cartoons. More than any other theme, the

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'French Camels' appeared to attract the respondents' attention. The main drawbacks of these executions were that:
One, they may be more appealing to an even younger age group, and two, there is some confusion as to the meaning behind them (some focus group members were hard-pressed to explain the purpose of the ads)" end of quote.
Did I read that correctly?
A: I believe so, yes.
Q: I want to draw your attention specifically to the statement about these ads. It says, "They may be even more appealing to an even younger age group," end quote.
A: Yes.
Q: And that would be knowledge a focus group could provide a cigarette manufacturer, isn't it?
A: Well, as I said, a focus group has limitations. It's a small group and one would never take the results of a focus group and apply it to the population at large without further study. It's an indication of potential information that could be tested in a follow-up.

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DRAFT

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Q: I'd like to show you what is the back – the document says French Camels. Do you see that at the top?
A: In the back – yeah, is this it? No.
Q: I'll be happy to find it for you if that will help you.
A: Okay. Thank you.
Q: There you go, ma'am. Do you see that, entitled French Camels?
A: Yes.
Q: And one would interpret that this is the advertisement that the focus group is talking about?
A: Okay.
Q: And then the next page, a very bad picture, I don't know if you can make it out, but it has a title of "Another Hit of French Camels," and it kind of has a picture, and the next page a little bit better.
Did you see that the French Camel cartoon character bears a striking resemblance to the Exhibit 9-A, which is the Joe Camel –
A: Is 9-A in this or is it –

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Q: No, I'll turn the monitor so you can see it.
A: Oh, okay.
MS. TYLER: Objection.
BY MR. ARNOLD:
Q: They are both cartoon Camels, aren't they?
A: Well, one's a drawing, one's a – I mean one's a black and white, one is a color.
Q: Aren't they cartoons?
MS. TYLER: Objection.
THE WITNESS: So was the original Camel, sir.
BY MR. ARNOLD:
Q: Aren't these somewhat similar cartoons, although one's in black and white and one's in color?
A: These two drawings are similar.
Q: And if we go back and look at the document again and look at the language that says, "They may be more appealing to an even younger age group."
Wasn't that as an advertising expert notice to the company that these advertisements appeal to children?

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MS. TYLER: Objection, vague and overly broad.
THE WITNESS: I don't think it says children anywhere in there.
BY MR. ARNOLD:
Q: You know that the title of the document is younger adult, and a younger group than that would be children, wouldn't it?
A: No.
MS. TYLER: Objection.
THE WITNESS: I would say that's making an assumption that's not warranted or supported by what's here.
BY MR. ARNOLD:
Q: And if the RJR Reynolds market share of children Camel smokers dramatically went up after the Joe Camel advertisements, that would be an indication, wouldn't it, that they knew ahead of time that the cartoon character would appeal to children?
MS. TYLER: Objection, calls for speculation.
THE WITNESS: No, I would say that's making a whole lot of assumptions beyond correlation even.

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BY MR. ARNOLD:
Q: Have you seen this marketing research report before?
A: This one that I'm looking at now?
Q: Yes, ma'am.
A: No, I don't think I have.
MR. ARNOLD: It's almost 12:30. Maybe we should take a break for lunch.
MS. TYLER: Sounds fine.
VIDEOGRAPHER: We are going off the record. The time on the screen is 12:23:27.
(Whereupon, at 12:23 p.m., a lunch recess was taken.)

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AFTERNOON SESSION

(1:21 p.m.)

VIDEOGRAPHER: We're back on the record. The time on the screen is 1:21:47.

(Plaintiffs' Deposition Exhibit Number 37 was marked for identification.)

BY MR. ARNOLD:

Q: I'd like to hand to you what's been marked as Plaintiff's Exhibit 37 and show on the Elmo the face sheet, and it states on the face, quote, "Originals for Turk Test Market Proposal Presentation Made for 1973."

Did I read that correctly?

A: Yes.

Q: And directing your attention to page 4, you'll see the statement in the document, it says, "E importance of young adults to the 85-millimeter NFF category," closed quote.

MS. TYLER: I'm sorry, we're on what page?

MR. ARNOLD: Page 4.

BY MR. ARNOLD:

Q: And then under item number 2, it states, quote, "It is also interesting to note

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that 61 percent of males 14-20 years old prefer the 85-millimeter NFF category."

Then item 3 states, quote, "As a result of this strong preference for the 85-millimeter NFF category among young adult males, males 18-34 years old represent approximately 35 percent of the 85-millimeter NFF smokers, at least 20 percent higher than total industry," end quote.

Do you see those statements on that document?

A: Yes.

Q: And do you see also when you look further down, it says + under Age, it has males, 18-34 years old, and males 18-20?

A: Yes.

Q: And it indicates under another heading "Percent of Industry Smokers"?

A: Yes.

Q: And then under another heading it says, "Percent of 85-millimeter NFF smokers."

Do you see that?

A: Yes.

Q: So, clearly what this RJR document is doing is looking at what I have classified as

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children smokers, in part. Isn't that correct?

MS. TYLER: Objection, totally mischaracterizes the document. It speaks for itself.

THE WITNESS: I don't know whose this is, but I – I see the pages that you're referring to.

BY MR. ARNOLD:

Q: And what they have done, item number 3, if we go back to the Elmo, indicates young adult males, and they have males 18-34 years old represent approximately 35 percent of the smokers. So, you'll see where young adult males, they've included ages down to 14?

MS. TYLER: Objection.

THE WITNESS: I see a reference to males 14 to 34, yes.

(Plaintiffs' Deposition Exhibit Number 12 was marked for identification.)

BY MR. ARNOLD:

Q: I'd like now to show you Exhibit 12, and we'll start on the first page, and this is a document from Mr. C.A. Tucker at the top, and C.A. Tucker was – I'll ask you to assume was vice president of marketing at RJR?

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A: Okay.

Q: It was a presentation to the RJRI board of directors, that's RJR Industries board of directors, and it's marketing plans, and if you go to the next page you'll see at the top of the document it says, "The 1975 Marketing Plans Presentation, Hilton Head, September 30, 1974."

Now, would you agree that if this is a presentation made to the board of directors, that that is a action at the highest levels of the corporation?

MS. TYLER: Objection, vague, overly broad.

THE WITNESS: I don't know the context in which this was presented.

BY MR. ARNOLD:

Q: If it's presented as marketing plans for the future, wouldn't that be an indication of action on the highest level of the corporation, its boards of directors?

MS. TYLER: Objection.

THE WITNESS: I wouldn't necessarily consider this action.

BY MR. ARNOLD:

Q: Let's look within the document

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about action. It states, quote, "Our paramount marketing objective for 1975 and ensuing years is to re-establish RJR's share of marketed growth in the domestic cigarette industry."
Did I read that correctly?
A: Yes.
Q: So, that's an objective for the corporation in the upcoming year.
MS. TYLER: Objection, mischaracterizes the document. It speaks for itself.
BY MR. ARNOLD:
Q: That's your understanding, isn't it, as a marketing expert?
MS. TYLER: Objection.
THE WITNESS: My understanding is that you are showing me a document I don't believe I have seen before. I don't know how it came about, how it was used, what role it plays, and I really am very reluctant, and I think it would be irresponsible of me to draw any conclusions about it beyond what is written in the document as being written in the document.
MR. ARNOLD: I'll move to strike that as being nonresponsive.

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MS. TYLER: That answer was entirely responsive. She is uncomfortable interpreting documents which you have asked her to do all day long, and she feels it would be irresponsible to do so. It is entirely appropriate to – entirely responsive to your question.
BY MR. ARNOLD:
Q: If this document represents a 1975 marketing plans presentation to the board of directors by the RJR marketing department, if you assume that, then the first paragraph would indicate that the paramount interest of the corporation in 1975 was to re-establish RJR's share of marketing growth. Isn't that something that logically follows?
MS. TYLER: Objection to counsel's characterization of the document.
THE WITNESS: I'd say that this is a document written by somebody who states what you see in the document.
MR. ARNOLD: I have to move to strike that as being nonresponsive, because I'm asking a hypothetical, and I think the witness should answer hypotheticals when the witness is

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a forensic expert. I think that that's appropriate, because it allows counsel to test the knowledge and credibility and grasp of the witness' subject matter, and that's clearly within the law books.
MS. TYLER: Well, that may be your opinion, Mr. Arnold. What she's telling you is that she cannot answer your questions as phrased. You're talking about intent, the word "intent" is not even in this sentence, and you're repeatedly asking her to infer meaning about a document she has never seen before today. She may not have the complete document. She's had no opportunity to review the entire document. You're asking her to make very broad conclusions about one sentence in a document she's never seen before, and she's told you that she feels it would be irresponsible of her to do so, and that is an entirely appropriate response.
MR. ARNOLD: Would you please read the question back for the witness.
(The record was read as follows:)
"QUESTION: If this document represents a 1975 marketing plans presentation

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to the board of directors by the RJR marketing department, if you assume that, then the first paragraph would indicate that the paramount interest of the corporation in 1975 was to re-establish RJR's share of marketing growth. Isn't that something that logically follows?"
THE WITNESS: The answer is the way that that is stated, no, that is not necessarily something that logically follows.
BY MR. ARNOLD:
Q: Doesn't the first paragraph mean to you as an advertising expert that RJR is seeking to re-establish its market share in the domestic cigarette industry?
MS. TYLER: Same objection.
BY MR. ARNOLD:
Q: Isn't that correct?
A: I think that first paragraph speaks for itself as it's written.
MR. ARNOLD:
Q: I move to strike that as being nonresponsive. I again request that – responsive answers from this witness.
Would you please read my question back.

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(The record was read as follows:)
"QUESTION: If this document represents a 1975 marketing plans presentation to the board of directors by the RJR marketing department, if you assume that, then the first paragraph would indicate that the paramount interest of the corporation in 1975 was to re-establish RJR's share of marketing growth. Isn't that something that logically follows?"
THE WITNESS: No, I don't know how you want me to answer this, but you have told me things about this document which I will accept as true, and if what you say is true, then this is a marketing department presentation to RJR corporate – top-level executives, is that what you are saying?
BY MR. ARNOLD:
Q: Board of directors, ma'am.
A: The board of directors. I don't know if the marketing department represents the corporation in presenting this. I don't know the circumstances under which this took place, and I think it would be irresponsible of me looking at this document, to try to guess what it means. And that's why I'm having difficulty

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giving you an answer that you want to hear.
Q: Can we go back to the document? I'd like to show you the document which states, quote, "We will speak to four key opportunity areas to accomplish this. They are number one, increase our young adult franchise."
Do you see that?
A: Yes, I do.
Q: Did I read that correctly?
A: Yes, you did.
Q: Now, if this is the marketing department for RJR, that would be an indication from your vantage point as an expert in advertising that they're trying to increase their young adult business.
MS. TYLER: Objection.
BY MR. ARNOLD:
Q: Isn't that correct?
MS. TYLER: Objection, misstates the document.
THE WITNESS: Whoever has written this document has identified an opportunity area which you've highlighted.
BY MR. ARNOLD:

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Q: A young adult franchise.
A: That's right.
Q: And going down the document, it states, quote, "First, let's look at the growing importance of young adult in the cigarette market. In 1960, this young adult market, the 14 to 24 age group, represented 21 percent of the population," end of quote.
Now, did I read that correctly?
A: Yes.
Q: And this is indication that the definition of young adult would include children?
A: It appears to me the young adult market is the 14 to 24 age group as they discuss it here.
Q: And going down where I've highlighted, you'll see it says, quote, "They represent tomorrow's cigarette business. As this 14-24 age group matures, they will account for a key share of the total cigarette volume for at least the next 25 years," end quote.
Did I read that correctly?
A: Yes, you did.
Q: I'm going to look at the next page

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of the document, you can see under the heading Chart 4, they refer to share by age?
A: Yes.
Q: And do you see that the right-hand side of the document, it says, highlighted, "In the 14-24 age category, Philip Morris has a 38 percent share and B&W a 21 percent share. Both companies have significantly lower shares in remaining age categories," end of quote.
Now, did I read that correctly?
A: Yes.
Q: Now, this would be an indication, this is from the marketing department, that they are looking at market shares of children smokers?
MS. TYLER: Objection, vague, misstates the document and it speaks for itself.
THE WITNESS: I won't assume beyond what is written here.
BY MR. ARNOLD:
Q: You are an expert in advertising and marketing, are you not?
A: Yes, but if you want me to commit to what this means, I'm unable to do that.

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Q: I'm asking –
A: This is taken out of context. It can mean any of a number of things. I – I think it stands for itself.
Q: We know that it says, if you go to the Elmo, it says, "Share by age." Now, that's the context, isn't it, of this paragraph?
A: Right.
Q: Share by age? –
A: Um-hum.
Q: Then you go over to the right-hand side, it says 14-24 age category.
A: Um-hum.
Q: Do you see that?
A: Um-hum, yes.
Q: Then it talks about share, shares. As a marketing expert, isn't it reasonable to interpret that to mean that they're talking about the market share of children smokers?
A: They might be; they might not be. Share of what, based on what universe, what population?
Q: Let's go down the document, if we may, and I'd like to show you again on the left-hand side, it says, "Share by age."

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A: Okay.
Q: In the right-hand side, it says, "Our two major brands, Winston and Salem, show comparative weakness against Marlboro and Kool among these younger smokers."
Did I read that correctly?
A: Yes, you did.
Q: Now, Winston and Salem are brands of cigarettes for which manufacturer?
A: Actually, I'm not positive.
Q: "Winston" – I am going to quote, "Winston is at 14 percent in the 14-24 age group versus Marlboro at 33 percent," end of quote.
I want you to assume that Winston is an RJR cigarette.
A: Okay.
Q: As a marketing expert, isn't that looking at market shares of 14 to 24 age group smokers of Winston?
A: It might be.
Q: It goes on to say, "Salem is at 9 percent versus Kool at 17 percent. Again, our brands show competitive strength in the 25 and older age group." Then the last paragraph says,

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"This suggests slow market share erosion for us in the years to come unless the situation is corrected."
Now, did I read that correctly?
A: You did, yes.
Q: As a marketing expert, aren't they referring to a potential share erosion in the 14 to 24 age group?
MS. TYLER: Objection, mischaracterizes the document. It speaks for itself.
THE WITNESS: Not necessarily.
BY MR. ARNOLD:
Q: Isn't that a generally fair interpretation of this document?
MS. TYLER: Asked and answered.
BY MR. ARNOLD:
Q: As from your vantage point as an advertising and marketing expert?
A: No, not necessarily. Unless I understand whether they're doing some kind of forecasting or whether they're trying to generalize based on figures here, it could mean any of a number of things.
Q: We do know, when we go back up to

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the document, says, "Our two major brands, Winston and Salem, show comparative weakness," correct?
A: Yes.
Q: And they are saying it's a weakness in the 14 to 24 age group. Isn't that correct?
A: Among younger smokers.
Q: And then when we go to the last paragraphs, they talk about slow market erosion. As a marketing expert, wouldn't you interpret that to mean that they are worried about a slow market erosion of the Winston and Salem brand among 14 to 24-year-old smokers?
MS. TYLER: Objection to the characterization of the document.
THE WITNESS: Not necessarily. It could be a comparison to previous years, other groups. I – I'm not sure that your interpretation is the one interpretation that should be drawn from this.
BY MR. ARNOLD:
Q: I'm asking your interpretation as a marketing expert when you look at a document that says share by age and has the other references that we have read.

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A: And as a marketing expert, I would ask for more information.
Q: And if you assume this is a marketing department presenting this to the board of directors, it would be your testimony, then, that the board of directors wouldn't have the same understanding as I've suggested that they're worried about, the two major brands market share erosion in the 14 to 24 age group?
MS. TYLER: Objection to form, completely incomprehensible.
THE WITNESS: I don't think the board of directors would necessarily agree with the interpretation which you've given this.
BY MR. ARNOLD:
Q: The next page on the Elmo says, "A strategy. Thus, our strategy becomes clear for our established brands. Number one, direct advertising appeal to the younger smokers, while," and then it goes on.
Did I read that correctly?
A: Yes.
Q: Now, the younger smokers if you look at the page before, have all been talking in part about the 14 to 24 age group, which are

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the young adult smokers. Do you see that?
A: Direct advertising appeals to the younger smokers, I see that.
Q: Aren't what we're seeing here from your vantage point as an advertising expert, a corporate strategy to advertise to children?
MS. TYLER: Objection.
THE WITNESS: I would not agree with that, no.
BY MR. ARNOLD:
Q: When you look down under the heading Chart B, it says, "New Winston Ad Campaign," and I'll read to you the paragraph that says, quote, "For Winston, we followed this strategy in developing the new candid advertising campaign, which broke September 16th. It is especially designed to appeal to young adults with:"
Do you see that?
A: Yes.
Q: Now, that indicates that the campaign had already been effectuated. Isn't that correct?
MS. TYLER: Objection.
THE WITNESS: There's a reference

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to an ad campaign which began.
BY MR. ARNOLD:
Q: And it's an ad campaign to appeal to young adults. Isn't that correct?
A: To young adults, yes.
Q: And young adults in the pages before, the reference is 14 to 24-year-old smokers. Isn't that correct?
MS. TYLER: Objection to counsel's mischaracterization of the document.
THE WITNESS: I'm sorry, could I have the question back, please?
(The record was read as follows:)
"QUESTION: And young adults in the pages before, the reference is 14 to 24-year-old smokers. Isn't that correct?"
THE WITNESS: Fourteen to 24 is mentioned alongside young adult market on page 1 – page 2.
BY MR. ARNOLD:
Q: And when we go back to the Elmo, it says, "New Winston Ad Campaign," and it's talking about being especially designed to appeal to young adults, correct?
A: Yes.

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Q: And if we go back to the page before that, we see the share by age of Winston, they're talking about a comparative weakness and that Winston's only at 14 percent in the 14 to 24 age group versus Marlboro at 33 percent. Do you see that?
A: Yes.
Q: As a marketing expert, does that indicate to you that this new ad campaign that was put into effect was designed to reach that 14 to 24-year-old smoker, doesn't it?
MS. TYLER: Objection.
THE WITNESS: See, there's a lot of difference between a 14-year-old and a 24-year-old, and in collapsing these, I'm not sure whether that was something that occurred because of research that was done. In order to find an appropriate number of subjects to conduct analyses, you sometimes need to collapse categories.
An appeal designed for a 24-year-old is not necessarily going to be the same as an appeal designed for a 14-year-old. So, given that there is a lot of overlap, that there are a lot of questions about why these

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ages were used in referring to the young adults and what exactly they mean when they're talking about young adults in the later sections, it is bordering on irresponsible of me to try to interpret what they were doing here specifically.

In addition to that, this is a – an outline of an overhead presentation, which means that it's going to have to be severely abbreviated. A lot of the details are left out. Additional information, the research this is coming from or the strategy that's written out somewhere would be much more useful than an outline in helping me to understand in a way that would allow me to answer your questions about what this means.

BY MR. ARNOLD:

Q: Do you feel like you're swimming upstream?

MS. TYLER: Objection.

THE WITNESS: No, sir, I feel like I'm having a very difficult time answering your questions which are focused on documents which I have never seen before, which are taken out of context and where I am asked to interpret them

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as I sit here today.

BY MR. ARNOLD:

Q: Let me ask you this –

MS. TYLER: I'm sorry, were you finished with your answer, Dr. Henke?

THE WITNESS: As I sit here today in a five-hour time period or whatever amount of time we have to do this.

BY MR. ARNOLD:

Q: Well, these documents come from your client.

MS. TYLER: Objection.

THE WITNESS: I don't believe I have a client.

BY MR. ARNOLD:

Q: Well, these documents come from your principal who's retained you to testify on their behalf.

MS. TYLER: Objection, objection.

BY MR. ARNOLD:

Q: Is that correct?

A: I don't know where they come from. You said R.J. Reynolds.

Q: If 95 percent of smokers start before age 24 and 68 percent of smokers start

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17, 16, 15 and younger, then pursuing a market strategy for 14 to 24-year-olds would make a lot of sense from a profit point of view, wouldn't it?

MS. TYLER: Objection, vague, overbroad.

THE WITNESS: Actually, from a profit point of view, if you want to take a marketing campaign, those usually extend on a long-term basis into the five-year period. Some are one-year projections, and I don't think it makes sense to focus on that small a market from a profit point of view.

BY MR. ARNOLD:

Q: That's your response?

A: That's the best I can do at this point with what you have asked me.

Q: Let me show you page 29, if I may, on the Elmo. You'll see it's entitled, "Key Opportunity Areas for Growth. One, increase our young adult franchise."

Do you see that?

A: Yes.

Q: And I want to go to the next page. It says, "Percent of population by age, age

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group."

A: Yes.

Q: Do you know what a cartouche is? Do you know in ancient Egypt, they would put the king's name in a rectangle to denote his importance?

A: No, I didn't know that.

Q: I did the history. Do you see there's a cartouche around the 18 to 24 age group?

A: Yes.

Q: And that would indicate that the marketing department, if the marketing department produced this document, felt that was important?

MS. TYLER: Objection, calls for speculation.

BY MR. ARNOLD:

Q: Well, wouldn't you, reading this as a marketing expert, be drawn – your attention be drawn to the emphasis given to the 14 to 24 age group?

A: Sure, the way that's drawn, it would be. It is.

Q: And looking at the last page, do

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you see it's headed Share of Smokers by Age?
A: Yes.
Q: And we again see what I call a cartouche? Do you see that?
A: Yes.
Q: And that's that square around Philip Morris, B&W, and that's 38 percent, 21 percent, under the 14 to 24 age category, do you see that?
A: Yes, yes.
Q: From your vantage point of a being a marketing and advertising expert, the document, Exhibit 12, that we have just seen here, would convey to you the importance the marketing department places upon the 14 to 24 age group of smokers?
MS. TYLER: Objection to counsel's characterization of the document. It speaks for itself.
THE WITNESS: Not necessarily, and I'll try to explain again why. They may be using the best possible available data. Data doesn't always appear in the categories that one would ideally have, and, you know, without – without knowing exactly what kind of data source

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and so forth that this represents, it may be the 18 to 24 group. I – I don't know. It may be the 20 to 24 group that they're interested in. It may be that the way the data have been given to them, there is no breakdown. I don't know that. I just would not infer from what's here that this entire group is of interest.
BY MR. ARNOLD:
Q: Would you as a marketing and advertising expert making a presentation to your board of directors use figures for a market that would include illegal children smokers?
MS. TYLER: Objection.
THE WITNESS: Under the circumstances I just described, if that's the only way to describe the market that you're looking for and there is some spillover because of the research that's been provided to you, and that's the only way you can even estimate, I think that would be perfectly reasonable to do. I don't know beyond what I see here what the understanding was.
BY MR. ARNOLD:
Q: Well, if 68 percent of smokers start at age 17 or under, then when you see a

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marketing plans presentation document with smokers as young as 14, wouldn't you as a marketing expert draw the conclusion that they were going to market to children?
MS. TYLER: Objection, asked and answered over and over again.
THE WITNESS: No, sir, I would not. Because of the reasons I have given you, I would not draw that conclusion.
BY MR. ARNOLD:
Q: Do you know what the 1330 Corporation is?
A: No, I don't.
(Plaintiffs' Deposition Exhibit Number 52 was marked for identification.)
BY MR. ARNOLD:
Q: I'd like to show you what we've marked as Exhibit 52. Have you ever been involved in a situation where a facilitator is used to come up with ideas to advertise or market products?
A: A facilitator is used to come up with ideas?
Q: Or to help a corporation come up with ideas.

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A: I've seen facilitators guide meetings, for example, of executives. Is that what you're referring to?
Q: Correct. I'd like to show you Exhibit 52, is it, on the Elmo.
A: Yes.
Q: And you see that it's entitled 1330 Corporation, R. J. Reynolds Session, June 29, 1983.
A: Yes.
Q: Did I read that correctly?
A: Um-hum.
Q: And you see the heading underneath the word Task, "To develop concepts/options for media vehicles for use in, on, under or around convenience stores, which will satisfy the needs of: The convenience store customer; the convenience store owner; the R. J. Reynolds Company."
Do you see that?
A: Yes.
Q: And I'd like to draw your attention to a couple pages where it talks about beginning ideas, and you see the heading Beginning Ideas?
A: Yes.

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Q: And you see number 9 says, "Activity booklet appealing to young people, things to do."
Do you see that?
A: Yes.
Q: And this is an idea in the context of the R.J. Reynolds Company and convenience stores to produce a booklet to appeal to young people. Do you understand that's what's going on in this meeting?
MS. TYLER: Objection.
BY MR. ARNOLD:
Q: As your - from your vantage point as a marketing, advertising expert?
MS. TYLER: Objection.
THE WITNESS: No, I wouldn't draw that conclusion. I would like to know what's going on in this meeting, but I don't think it's in the context of R.J. Reynolds - doing what did you say?
BY MR. ARNOLD:
Q: Coming up with ideas for the R.J. Reynolds Company.
Let me show you the last page of the document, and I'll assert to you that we got

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this from the R.J. Reynolds source and number 50 says, "Develop a bike rack for kids with bikes, create ad space." The next one says, "How to deal with concept of illegal advertising to minors."
Do you see that?
A: Yes.
Q: And did I read 50 and 51 correctly?
A: Yes, you did.
Q: And do you understand that this would be an indication from your vantage point as a marketing expert that R.J. Reynolds Company at one point someone in that company was considering the problems of illegally advertising to minors? Too?
MS. TYLER: Objection, mischaracterizes the document. It speaks for itself.
THE WITNESS: Well, this is not something I can interpret or guess about with any certainty, but it - it looks a lot like the results of a brainstorming session, and there are particular rules in a brainstorming session which require absolutely no criticism, no

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limits, no boundaries, the first thing that comes to mind should be said without any hesitation. It's a way of enhancing creativity, and it's a starting point and not necessarily any indication of what some company has done or wants to do or will engage in.
MS. TYLER: And also I'd state for the record that although produced by RJR in the Mangini case, its authors come from the Consultative Resources Corporation.
(Plaintiffs' Deposition Exhibit Number 51 was marked for identification.)
BY MR. ARNOLD:
Q: I'd like to show you what's been marked as Exhibit 51 and go on the Elmo and look at it, if we may. Have you ever heard of Hawkins, McCain and Blumenthal, Inc.?
A: I don't believe I have, no.
Q: You'll see that this is a - entitled a Conference Report?
A: Yes.
Q: And the client was Brown & Williamson?
A: Yes.
Q: And do you know Brown & Williamson

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is one of the tobacco companies you're testifying on behalf of?
A: Yes.
Q: And do you see where it says, "Representing client, Lewis L. Glass and L. Reynolds"?
A: Yes.
Q: And do you see where it says the purpose is, quote, "To receive and participate in an R&D briefing on the LTS product in these major areas -"
MS. TYLER: I believe it says the three -
BY MR. ARNOLD:
Q: You're right, let me read again. It states, quote, "To receive and participate in an R&D briefing on the LTS product in three major areas," end of quote.
Did I read that correctly?
A: Yes.
Q: And when you go and look at the next page, do you see at the top it says, "Develop a low-tar, high-nicotine cigarette"?
A: Yes.

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Q: And it says, "Goals/wishes, how to/wish we could."
Do you see that?
A: Yes.
Q: Will you look at the bottom, the second to the last bullet says, quote, "Market an addictive product in an ethical manner," closed quote.
Do you see that?
A: Yes.
Q: So, this is a discussion taking place with the client on how to sell a cigarette in an ethical manner that's addictive. Isn't that correct?
MS. TYLER: Objection, totally mischaracterizes the document. It speaks for itself.
THE WITNESS: I can't tell what this is a report of, something that took place at a conference, I suppose.
BY MR. ARNOLD:
Q: And that conference involved the advertising agency and the three people representing the client, correct?
A: I'm not sure if that's going to

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them. Are they the addressee on this?
Q: This is a –
A: Were they present or – I'm not sure what that means.
Q: This is a conference report, and do you see where it says, "Representing client," do you see that?
A: Yes.
Q: And do you see the three names? Do you see that?
A: Yes.
Q: Lance Reynolds at one point was a vice president of Brown & Williamson, did you know that?
A: Un-huh.
MS. TYLER: Is there a question pending?
THE WITNESS: I don't think so.
BY MR. ARNOLD:
Q: You understand who Lance Reynolds is?
A: No.
Q: Now, we've seen a number of documents here today, correct?
A: Yes.

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Q: And you are an expert in advertising and marketing?
A: Yes.
Q: From these documents and your vantage point as an expert in advertising and marketing, wouldn't you agree that what we've seen is a pattern of illegal advertising to children?
MS. TYLER: Objection.
THE WITNESS: No, I would not.
BY MR. ARNOLD:
Q: Wouldn't you agree from these documents that you've seen that there's many people in the tobacco industry who know that their product is addictive?
MS. TYLER: Objection.
THE WITNESS: Not necessarily from this set of documents, no.
BY MR. ARNOLD:
Q: Would you agree that from the statistics that we've seen, if they're true, the 68 percent of new smokers are children, that there is a significant problem in this country with children smokers?
A: First of all, I don't recall the

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specific 68 percent of new smokers are children coming from a data source I endorsed; however, you know, I will go back to my personal opinion, and I think that any number of children smoking is unfortunate.
Q: You have seen documents from the Surgeon General characterizing children as replacement smokers in the cigarette manufacturing industry, have you not?
A: Yes, I read that.
Q: And you have seen that the Surgeon General has stated that smoking begins primarily at the age 16 in the documents that I've shown you?
MS. TYLER: Objection.
BY MR. ARNOLD:
Q: Isn't that correct? You can look at it again if you need to.
A: Specifically worded that way, I – I don't recall, but as I said, I have seen many figures on the fact that smoking initiation occurs among a high proportion of people under the age of 18.
Q: Primarily age 16?
A: I don't recall that specifically.

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no.
Q: You've seen documents indicating great sums of money originates from the addiction of children smokers in the range of $3.35 billion a year?
MS. TYLER: Objection, mischaracterizes the documents.
THE WITNESS: As I recall that figure was from the DiFranza article, which is an article by a – I think he's a medical doctor, isn't he?

BY MR. ARNOLD:

Q: And your answer in response?
A: That I have not seen that. I have seen the article as it's written, but I – I think I stated I don't necessarily accept the interpretation.
Q: Would you accept that the majority of smokers start as children?
MS. TYLER: Objection.
THE WITNESS: We have differing definitions of children and we have differing definitions of smokers depending on which report we're reading.

BY MR. ARNOLD:

Q: Seventeen, 16, 15, 14, 13.
A: I have seen that varying percentages of current smokers are said to have initiated smoking before the age of 18, some before the age of 21, the reports differ, but some smoking begins among adolescents, yes.
Q: It's become a children's illness, hasn't it?
MS. TYLER: Objection.
THE WITNESS: I'm not a medical expert.

BY MR. ARNOLD:

Q: If the majority of smokers started as children and if a majority of tobacco company profit originates from the addiction of children smokers and the tobacco industry spends $4 billion annually advertising, promoting and marketing cigarettes, as an advertising and marketing expert, would you conclude that that advertising, marketing and promotion is encouraging children to smoke?
MS. TYLER: Can we have that one read back, please?
(The record was read as follows:)
"QUESTION: If the majority of

smokers started as children and if a majority of tobacco company profit originates from the addiction of children smokers and the tobacco industry spends $4 billion annually advertising, promoting and marketing cigarettes, as an advertising and marketing expert, would you conclude that that advertising, marketing and promotion is encouraging children to smoke?"
MS. TYLER: Objection, form.
THE WITNESS: There are a lot of assumptions in your – in your question, and I think part of the problem I'm having is becoming more clear to me based on probably the framework, the theoretical framework that you're coming from, and by linking amounts spent in advertising with youth smoking or with children smoking seems to be a definite implication that there is some sort of a causal relationship.
A lot of the research has addressed the correlations, and the majority, the vast bulk of the literature, which has examined initiation of smoking by children, finds that, in fact, parents and peers are the major influence factors in initiation of smoking. Advertising is an information source. It can be

used by consumers in making decisions about brands to smoke.
The evidence is there that it is not a causal factor in initiation of smoking and in taking up smoking or other factors, and so when you talk about inducing smoking or encouraging smoking, there's a very imprecise terms that seem to come from a model of communication that's called hypodermic theory, hypodermic model, which is not actually used anymore.

BY MR. ARNOLD:

Q: Now, you have testified that the documents you've seen that reference 13 to 17-year-old smokers and 14 to 17-year-old smokers, that there's always some explanation as to why that particular – that document is not to be interpreted as referring to increasing, say, market shares of children smokers. Isn't that correct?
MS. TYLER: I object. That totally mischaracterizes her prior testimony.
THE WITNESS: I don't think that's what I've said or what I've done. I think that – I hope what I've conveyed to you is that

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seeing these documents for the first time now, it would be irresponsible of me to draw conclusions about what they may have meant, how they were used or whether they represent any intent by the tobacco companies to engage in marketing to any particular age group, children here. I hope they don't. I have - I have two children, and personally I hope they don't try to reach my children and encourage them to smoke, but if they did, I don't think it would make any difference, because there are other influences in their lives, including me and their teachers and a lot of other sources of information.

Q: Do you have teenagers?

A: I'm on the verge of that.

Q: Do you have any rebellion?

A: Oh, every once in a while we deal with it.

Q: It gets worse.

A: That's what I hear.

Q: When they rebel, the parent loses some control. Do you understand that?

A: I've seen that.

Q: Now, you're familiar, aren't you,

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that the Virginia Slims, when they came out, promoted, advertising and marketing, increased female smokers from 8 percent to 15 percent?

MS. TYLER: Objection, mischaracterizes the data.

THE WITNESS: See, there is the phrase that I have a problem with, that the campaign increased smoking. There may have been an increase in smoking at the time that the Virginia Slims campaign came out, and, in fact, there are some reports about smoking among young girls increasing at the same time. To say that the advertising campaign caused it is where I have difficulty and where the social science literature will not provide support.

BY MR. ARNOLD:

Q: If you wanted these documents we have seen here today, you could have asked for them from the people who have hired and are paying you to testify on behalf of the tobacco industry, couldn't you?

A: I'm sure I could have asked for anything, yes.

MR. ARNOLD: Thank you. That's all.

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VIDEOGRAPHER: This ends the deposition. We're going off the record. The time on the screen is 2:15:05.

(Discussion off the record.)

VIDEOGRAPHER: On record, 2:16:52.

MS. TYLER: I wanted to state for the record that Mr. Bishop (sic) has shown this witness today a number of internal company documents that may be privileged. To the extent that this is true and that these documents are still considered privileged by the defendants, these documents and portions of the transcript that refer thereto may need to be placed under seal pursuant to a court order entered in this case. I will be contacting plaintiffs' counsel as well as the court reporter if that becomes necessary with respect to any portion of this deposition. Thank you.

VIDEOGRAPHER: This ends the deposition. We are going off the record. The time on the screen is 2:17:32.

(Whereupon, at 2:17 p.m., the deposition was concluded.)

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DISTRICT OF COLUMBIA, to wit:

I, Susanne O. Tate, the officer before whom the foregoing deposition was taken, do hereby certify that the within-named witness personally appeared before me at the time and place herein set out, and after having been duly sworn by me, according to law, was examined by counsel.

I further certify that the examination was recorded stenographically by me and this transcript is a true record of the proceedings.

I further certify that I am not of counsel to any of the parties, nor an employee of counsel, nor related to any of the parties, nor in any way interested in the outcome of this action.

As witness my hand and notarial seal this

_____ day of _____, 1998.

Susanne O. Tate
Notary Public

MY COMMISSION EXPIRES:
11/14/2000

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DEPOSITION OF LUCY HENKE
DECEMBER 17, 1998

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CERTIFICATE OF DEPONENT

I hereby certify that I have read and examined the foregoing transcript, and the same is a true and accurate record of the testimony given by me.

Any additions or corrections that I feel are necessary, I will attach on a separate sheet of paper to the original transcript.

LUCY HENKE

I hereby certify that the individual representing himself/herself to be the above-named individual, appeared before me this

_____ day of _____, 1998, and executed the above certificate in my presence.

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[2] DATE: DECEMBER 17, 1998
[3] CASE: IRON WORKERS v. PHILIP MORRIS
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The magazine of decision makers November-December 1974

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Young viewers' troubling response to TV ads

Current advertising techniques may be neither effective nor responsible for use with children

T.G. Bever, M.L. Smith, B. Bengen, and T.G. Johnson

"They're all liars." That's what the ten-year-olds in the authors' recent study had to say about television commercials for children's products. And that's not unlike the responses they received from other young viewers—responses that TV ad writers may not realize they evoke. Applying the theories of Jean Piaget, a leading developmental psychologist, the authors talked with children ages 5 to 12 and found surprising trends in the development of their attitudes toward advertising. Children's skill in acquiring impressions of reality from advertising exceeds their skill in understanding them logically. Young children are not uncomfortable with the disparity between these skills and are not upset if advertising is misleading. By middle childhood, however, the conflict between the two skills becomes so frustrating that, in order to resolve it, children become absolutist—they decide, for instance, that all advertising is a sham. What is most disconcerting to marketers and parents is that by age 11, when the two skill levels begin to coincide, most children have already become cynical—ready to believe that, like advertising, business and other social institutions are riddled with hypocrisy.

Thomas G. Bever, a former associate of Piaget's Institut scientifique d'éducation, Geneva, is professor of psychology and linguistics at Columbia University, New York. Martin L. Smith, who conceived the study, creates commercials for children's products at Smith/Greenland Company, Inc., a New York advertising agency he cofounded. Barbara Bengen is program administrator at the School of Public Health, Columbia University. Thomas G. Johnson, senior vice president-marketing and research at Smith/Greenland Company, developed the study's analytic scheme and interpreted its data.
The drawing is by Robert Osborn.

Children under the age of 13 constitute more than a quarter of our population—that's more than 50 million people who are still learning about our society. Studies show that they spend more time watching television than they do in school and that as much as three fifths of their viewing time is taken up by commercials directed specifically to them. This means that every week TV commercials expose young children to hours of explicit information about products as well as to hours of implicit information about American business.

Some adults are worried about the impact that all this advertising is having on children. Concerned parents, teachers, government leaders, and marketers have been asking questions like the following:

- What information-processing skills do children at different age levels develop?
- Do these skills enable children to evaluate information from TV commercials properly?
- Is there any age at which children are so unskilled at processing information that they can be exploited by irresponsible advertisers?
- Do TV advertising and learning to deal with it have any harmful effects on children's attitudes toward business and society?

To explore these questions, we conducted a series of interviews with 48 children between 5 and 12 years old, grouped in two-year intervals. They came from a cross section of middle- and working-class families

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The study methodology

The design of this study evolved from a preliminary set of open-ended, tape-recorded interviews conducted among 38 children from 4 to 12 years old. The preliminary study was designed to establish a framework within which children at various stages of development could respond verbally to issues about advertising. Since work with 4-year-olds was unproductive, they were dropped from the final study.

The resulting design for the final study involved the verbal responses of 48 children from ages 5 to 12, but no viewing of television commercials. The final interviews were conducted in July 1973 by Suburban Research Associates of Ridgewood, New Jersey.

We treated the children's "don't know" responses as evidence that they did not understand a particular concept. This technique may artificially lower the apparent levels of understanding among the younger children, but it is the more conservative analysis strategy.

A number of computer-based, statistical analyses were conducted on the data to verify their reliability and to develop hypotheses. These included factor, regression, and discriminant analyses. The computerized factor analysis of the study data yielded nine major factors. These accounted for 62% of the total variance and suggest that the responses have statistical reliability.

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in northern New Jersey. We talked with 6 boys and 6 girls in each two-year age group. Since their conceptions of morality, fantasy, and economics determine the context in which children make judgments about advertising and hence their response to TV commercials, we asked them questions in these three areas.

To provide a basis for investigating the influence of advertising on children, we used Jean Piaget's distinction between the *operational* and the *figurative* aspects of knowledge. According to Piaget, one of today's most influential developmental psychologists, the child develops different representations of reality as he matures—a figurative model of the world and an operational model. Each model is somewhat distorted in comparison with the other.

The figurative model is based on predispositions to perceive and act in certain ways. When a child sees something he wants, for example, he is able to put out his hands and pick it up. After dropping a toy several times, he tends to expect the toy to fall whenever he drops it.

The operational model is based on reality testing and logical processes that he can apply to the world in consistent relationship to each other. For example, to see if objects really do fall when dropped, a very young child tests the idea by dropping a plate, a spoon, food, or more toys. To see if a box is as heavy as its size makes it look, an older child will weigh it.

The development of the mind, according to Piaget, requires an integration of figurative and operational skills. That is, we begin to correlate what we tend to perceive with what we find to be logically true, as we mature.[1]

Arriving at such a balance is not easy, for the figurative and the operational models often conflict with each other. As the child matures, he develops a figurative model of what he perceives, which causes him to develop certain habits of observation. The resulting impressions may differ from impressions acquired through his operational skills. Some of these habits persist throughout adulthood; others disappear as he seeks to verify his knowledge by applying operational skills. Take this illustration:

The child of 5 may see the two lines of the T figure as being approximately equal in length, as indeed they are. But at a later age he will have acquired the habit of concentrating on vertical, uninterrupted lines: this observational habit leads the older child to see the vertical line as if it were longer. This particular illusion and other distortions of this sort persist even among adults. But such figurative distortions do not affect a person's operational knowledge. If he measures the two lines with a ruler, he discovers that they are of the same length, and he can then work with them without being misled.

When the child discovers the conflict between figurative and operational processes, he intuitively realizes that he must interrelate both ways of acquiring information from the world. He discovers intuitively that figurative impressions can be misleading and that he must continually test and retest his impressions of the world by applying his operational skills. Eventually, he largely reconciles the conflict between the figurative and the operational processes and becomes skillful in using both ways to extract information from the world.

We chose to use Piaget's distinction between the figurative and the operational ways of processing information because we believe it helps us un-

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stand what the child confronts when he looks at advertising.

By using this distinction, we can see that advertisers use devices that play on our figurative distortions. By arranging store displays or designing retail packages to appear imposing, for instance, advertisers can attract our attention and make products seem like desirable purchases. Marketers create models that are figuratively appealing but that cannot stand up to operational verification. Consumers can learn to compensate for such attempts to exploit their perceptual habits by checking their figurative impressions against their operational processes. If cautioned, even a child can eventually learn to estimate the contents of a deceptively large box and to read the content information on the label.

To create enhanced impressions of their products, television advertisers capitalize on our conversational habits. Making one's way through the verbal confusions in the conventions of ordinary speech requires subtle interpretation. While adults may be aware that in ordinary conversation we do not mean literally what we say, most children have difficulty discerning the difference between the literal interpretation of a phrase and its figurative connotations. "How are you?" is meant to sound like a greeting, for instance, not a request for health information. "Could you pass the salt?" is a casual way of asking for the saltshaker to be passed down the table, not for a discussion of someone's salt-passing ability.

Conversational habits are useful in everyday life because we can use them to convey our wishes politely without stating them directly. But TV advertisers can exploit these habits to convey impressions that are only implied by the literally presented information. Children have to learn to discern such implications in TV communication. The child who hears that some soap powder gets clothes "whiter than white" is unlikely to understand that the advertiser really means the whitest white possible.

Indeed, one child in our study asked her mother to "buy this cleaner because I want to see the White Tornado." Instead of understanding that the advertiser was claiming that his cleaner contained so much power that it could overcome any kind of dirt, the child took the advertiser's metaphor literally.

Advertisers sometimes evade laws governing commercial claims by means of messages that are literally true but that convey misleading impressions because of our conventional interpretations of them. For example, the claim that "Wonder Bread helps build strong bodies in 12 ways" is an accurate, logical statement. But, as the Federal Trade Commission ruled, the message implies that building bodies 12 ways is a trait unique to Wonder Bread. This claim is misleading, the FTC decided, for competitive breads have approximately the same nutritional value. Here is a case in which it was judged that even adults did not have adequate information-processing skills to protect themselves against the implications in advertising.

This example highlights the difficulty faced by children. The ultimate test of whether an advertisement is misleading is whether the "reasonable viewing adult" *believes* it to be misleading in the context of conventional television style. Such knowledge about language and television usually protects adults from actually being misled. But children have not fully acquired this knowledge; an advertisement that would not mislead an adult may mislead a child.

Television advertising is a commercial medium based on *adult* conversational and perceptual habits, but it is massively presented to young children. How do children react to this compelling adult medium and to the fact that it may mislead them? We tried to answer these questions in our study.

Using a set of topical outline questions to guide our conversation about morality, fantasy, economics, and TV commercials, we interviewed each child individually. Our main focus was on the children's conceptions of these areas, not on their responses to specific advertisements. We found that advertising confronts the child with a subtle conflict between two ways of processing information—between Piaget's figurative skills and operational skills.

Middle childhood conflict

The conflict becomes most intense in children between the ages of 7 and 10. [For this reason, we shall discuss the 7- and 8-year-olds and the 9- and 10-year-olds at the same time.] According to our study, this group is the most vulnerable to the manipulation of TV advertisers. Of all the groups tested, the 7- to

1. See Jean Piaget, *The Mechanisms of Perception* (New York: Basic Books, 1969).

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10-year-olds displayed the most tension in dealing with questions about morality, fantasy, and economics. In each category, they understood the concepts figuratively, but could not make useful operational judgments about them. (See *Exhibit I.*)

Judgment about fantasy

Although the distinction between fantasy and reality is mastered by age 7, the ability to integrate aspects of the real world with private perceptions and hypotheses about it is not, even at age 10. The 9- and 10-year-olds studied showed only slightly more progress in this integrating process than the 7- and 8-year-olds.

We used three criteria to evaluate the level of fantasy/reality discrimination (or what we shall call judgment about fantasy) in the children we studied:

1
Awareness of the distinction between fantasy and reality.

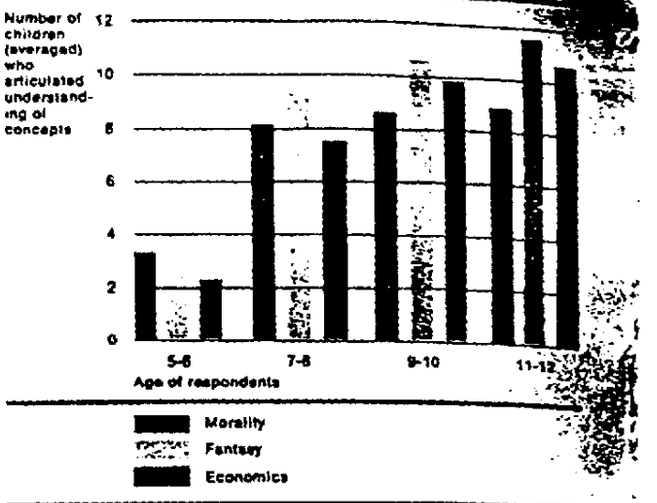
2
Recognition of the distinction between make-believe, which is acceptable, agreed-upon fantasy, and "lying," which purports to be real but which is actually a form of fantasy; this distinction was measured by the child's acceptance of make-believe as being benign and by his rejection of lying as being potentially harmful.

3
Skepticism toward claims made by authority figures such as parents, professionals, and advertisers.

More than three quarters of the 7- and 8-year-olds articulated reasons for distinguishing between make-believe and lying. They emphasized that lying violates religious and moral codes. A 7-year-old girl explained, "When you're lying, you're sinning against God, but when you're making believe, you're just playing." A 7-year-old boy touched on another difference: "Little Red Riding Hood is make-believe, but lying is real." He recognized that a lie may distort reality by appearing true itself, whereas an attempt at make-believe involves no such intent. A predominant response among 7- and 8-year-olds, as with older children, was that "make-believe is not meant to be false"—that is, it is not intended to deceive and thus is harmless.

Some 9- and 10-year-olds couched the difference between make-believe and lying in terms of construc-

Exhibit I
Average number of children in each age group who comprehended questions about morality, fantasy, and economics



tive and harmful effects. One 9-year-old boy stated, "Make-believe sometimes teaches you things, and lying doesn't." Other children in this age group noted that well-known fables and other make-believe stories are designed to teach morals or lessons.

The degree of skepticism toward authority figures rose sharply among the 7- and 8-year-olds in comparison with younger children, and this skepticism continued to rise among the 9- and 10-year-olds. When asked how they felt when their parents told them to eat lots of vegetables because they were "delicious" or when their dentists said, "Don't worry; this won't hurt a bit," the majority of 7- to 10-year-olds stated that they did not believe what they had been told. However, most 7- and 8-year-olds rejected the idea that their parents or dentists were lying outright. This group's most common response was that these adults were resorting to "white lies" to persuade the children to do something good. The 9- and 10-year-olds, on the other hand, were more apt to believe that professionals such as dentists were actually lying.

The levels of skepticism toward authority articulated by all the 7- to 10-year-olds studied were well below the levels of sophistication indicated in the other two measures of judgment about fantasy. This finding suggests that perceiving distinctions in principle is far easier for children of this age than actually applying them to specific situations.

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Judgment about morality

To see what conception of morality the children in our study had, and how much skill they had in applying moral judgments to situations they encountered, we looked for four factors:

1
A belief that telling the truth is important and that lying is harmful.
2
A conviction that lying is acceptable under certain exceptional circumstances.
3
An awareness that adults sometimes lie.
4
Criticism of adult hypocrisy.

The 7- to 10-year-olds showed a sensitivity to all four factors. Here is how an 8-year-old explained the dangers of lying: "God is watching over you, and every time you lie, you know what happens to you? You get a black spot on your heart." Virtually all the 9- and 10-year-olds verbalized the importance of telling the truth and showed sophistication in describing the harmful effects of lying. In particular, they said that lying should be avoided "so that other people don't get blamed or hurt" and because "people won't trust you [if you lie]."

At the same time, this older group demonstrated a new understanding that lying may be acceptable when it is necessary "to keep from hurting another person's feelings," "to save a life," or "to tell a little white lie."

The 7- to 10-year-olds indicated that they had had much experience with adult lying. For instance, one child reported that his mother had often said, "Do what I say, not what I do." And other children stated that their parents smoked but advised their children not to do so.

This exposure to adult hypocrisy appeared to create growing anger and tension among children from 7 to 10. A majority of these children admitted to being "bothered" by adult lying. The 9- and 10-year-olds expressed especially strong antagonism toward it. Typical comments from them were: "What's right for adults is right for children," "You can't trust them any more," and "It makes me mad."

The experiences of the 7- and 8-year-olds were restricted to their immediate world; they cited parents and teachers as primary offenders rather than impersonal social agents like businessmen or advertisers. The 9- and 10-year-olds, however, spoke out against politicians, store managers, and television advertisers as well as against personal targets. It appears that children's growing irritation with lying on a personal level—among friends, siblings, parents, teachers—sensitizes them to deception on a more impersonal social level by the time they are 9 or 10.

Judgment about economics

The ability to make judgments about money-related matters correlated closely with age. To determine their ability to make economic judgments, we looked for four responses:

1
A recognition that money can be both good and bad.
2
An understanding that companies advertise to sell, persuade, or inform.
3
A belief that advertising serves a useful function in society, despite the fact that it is sometimes misleading.
4
A judgment that misleading advertising is unacceptable because it can lead to harmful economic consequences.

The 7- to 10-year-olds displayed a fair amount of understanding about the functions of money and advertising. More than three quarters of them comprehended that money can serve both good and bad functions in society. One 10-year-old boy explained that money is bad "when you have to pay your taxes." Others explained that companies advertise "to sell products," to inform people because "otherwise no one would know about products," "to make money and get some business," and "to get you to buy things."

More than half the 7- to 10-year-olds indicated a belief that advertising serves useful functions in society. Only some older ones felt that advertising is "bad." Most of them said that informing people about "good new products" is advertising's most important function. These respondents also noted that advertising enables consumers "to find out about products before they buy" and helps companies to "increase their business." Few children from this group opposed the existence of TV com-

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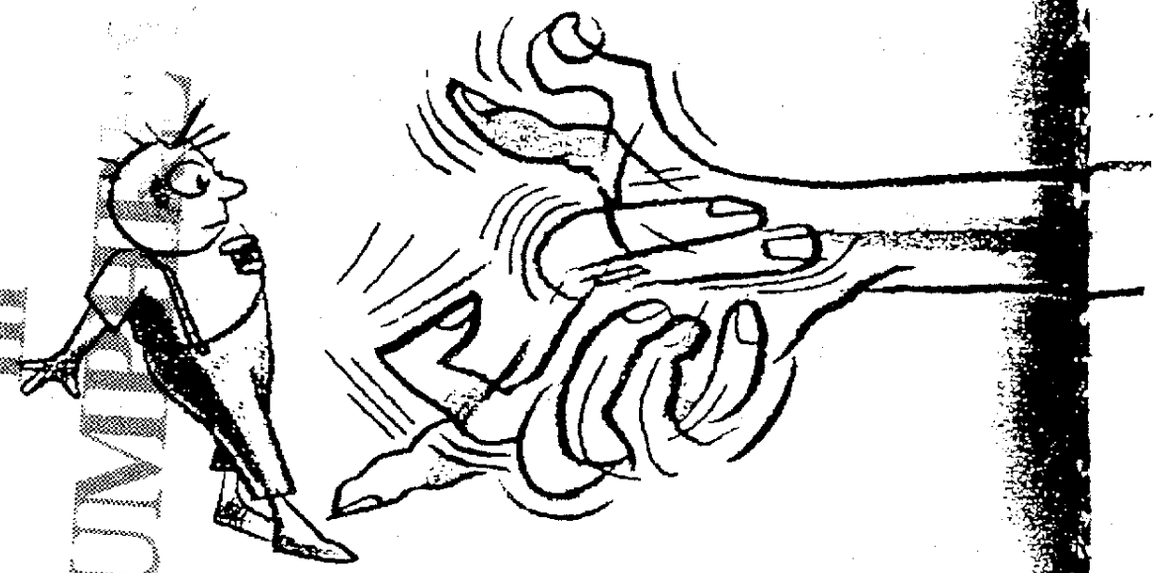
mercials per se; however, most did express belief that TV advertisers sometimes mislead, fail to tell the truth, or deliberately deceive the viewer about the value of their products.

The middle childhood group strongly objected to advertising that would be harmful personally, economically, or emotionally. The distinctively harmful aspect of misleading television advertising, they said, was that it would cause the consumer financial loss. An 8-year-old girl explained that commercials are bad "because they want you to buy their products. But they aren't so good—you won't get your money's worth, and that's cheating you out of your money." Sensitivity to this issue was particularly high among the 9- and 10-year-olds, apparently because their grasp of economic reality was strongly linked to their judgment about the morality and fantasy involved in advertising. They tended to assume that all advertisements are misleading.



Advertising & 7- to 10-year-olds

A majority of children in this age group specified clear principles about what advertising "should" and "should not" do. They asserted that "not telling the truth" in television advertising is an unacceptable form of make-believe. Noting that "it's not fair" and "it's cheating," the 7- and 8-year-olds rejected misleading advertising because it violates fair play. They commented that the specific responsibility of advertising is to give information about products. Some noted that misleading commercials "stop us from choosing the right product" and that advertising has special obligations to the viewer because "it is not merely entertainment but real."

Despite their ability to articulate fair principles of advertising in the abstract, however, many 9- and 10-year-olds admitted that they could not really evaluate advertising. "[Advertisers] can fake well," they said, and "you don't really know what's true until you've tried the product." Most of these children had often been misled by advertising claims and felt that they had an excuse to reject it completely. [Our findings reinforce another researcher's report that the responses of 9- and 10-year-olds to advertising claims depend largely on their having had personal experiences with misleading advertising.[2]] The following responses were typical ones for this age group:

"Chicken of the Sea is not the best tuna!" [from an indignant 9-year-old]. "No More Tangles actually gave me knots!" [from a 10-year-old girl]. "Long

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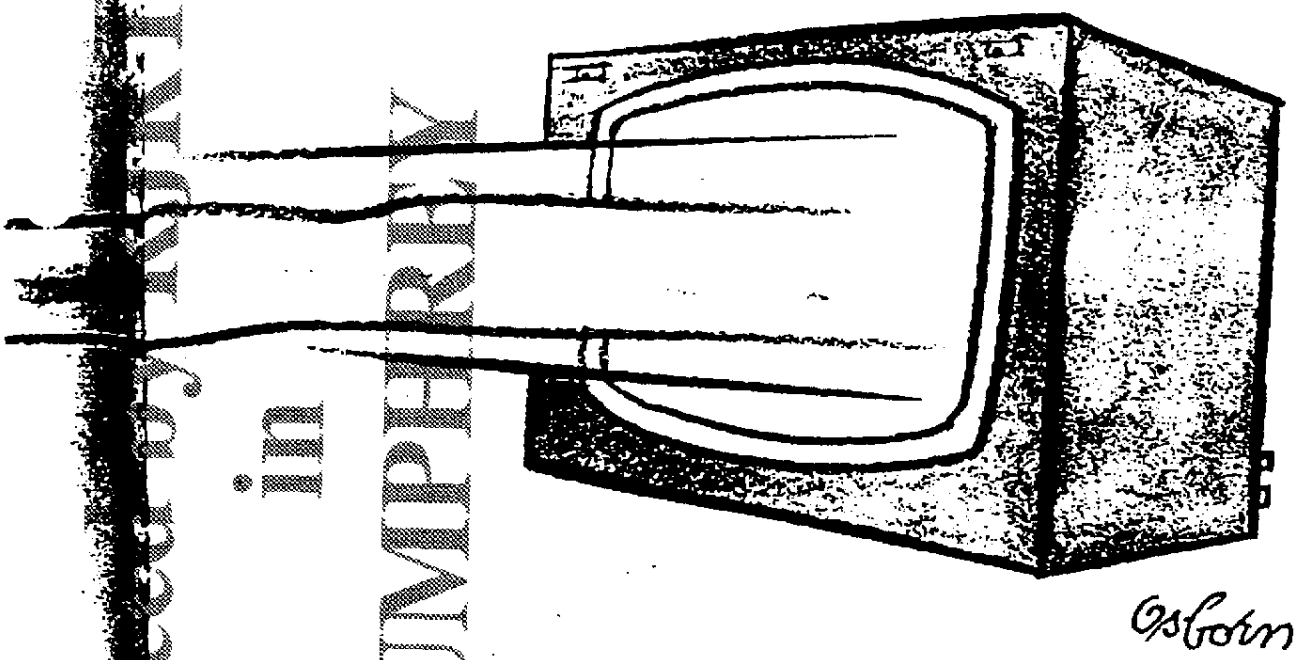
Nails didn't work!" (from two 9- and 10-year-old girls). "The box didn't contain the gift it was supposed to!" (from a 10-year-old).

Despite their increased exposure to misleading advertising, however, the 9- and 10-year-olds in our study continued to have high expectations of advertising. The compelling facade of reality that advertisements often convey, coupled with the fact that many advertisements do live up to their claims, compounded the children's ambivalence. A majority of 9- and 10-year-olds stated that they would want to buy certain hypothetical products we discussed even if they did *not* believe the claims. "There is a chance that they might do the job," the children said, and "we want to try them." Our findings suggest that children of this age are prone to be misled by advertising that appeals to them through their figurative processes, even when advertising claims sometimes turn out to be faulty when subjected to their operational processes.



Resolution of conflict

On the whole, the 7- to 10-year-olds showed tension and anger over their inability to cope effectively with what they believed to be misleading advertising. Our study confirms prior empirical findings that children in this age group are particularly hostile toward misleading advertising.[3] We believe that this hostility reflects an unsatisfactory resolution of the conflict in previous years. The frustration children of this age feel in dealing with misleading advertising reflects the conflict they are experiencing between their strong figurative impressions of the world and their limited operational powers. They are aware that people intentionally deceive each other but are not always able to tell when; they are won over by products that appear to be very attractive but that prove to be nearly useless; and they are suspicious that something deceptive may be going on in a situation but are unable to identify it precisely. They have not matured enough to correlate their figurative skills with their operational skills.

Furthermore, they are angry because they feel forced to accept practices that they believe are immoral. A child may dismiss his personal experiences with the deceit of individual adults as bothersome though "wrong." But then he finds that misleading TV advertising is socially accepted. The 10-year-old's anger

1. See Scott Ward, "Effects of Television Advertising on Children," testimony before the Federal Trade Commission, November 1971.

3. Ibid.

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appears to reflect his first realization that advertising is an accepted part of society. This shows him that society allows for *institutional* hypocrisy, a fact that violates moral precepts he has been taught as a young child.

Rather than attempt to use skills that they recognize are too limited to differentiate effectively between the subtleties of truth and falsehood, right and wrong, the 10-year-olds resolve the conflict by adopting a rigid moral stance and an overgeneralized view of the world. They simplify the problem by assuming that advertising, like other aspects of the adult world, always "lies."

The rigid method of resolving conflict in this age group probably represents the child's initial attempt to seriously evaluate phenomena of the adult world. For the first time, the child is refining his model of social reality as reflected in advertising. This resolution may also reflect the extreme amount of ambivalence that children in middle childhood experience because they are confused about what adult reality is. Rather than tolerate constant anxiety, they decide simplistically what will be true. Only one quarter of the children through the age of 10 could or would discriminate between truthful and misleading advertising adequately enough to arrive at the balanced judgment that "advertising sometimes tells the truth, but it also sometimes lies."

Early childhood indifference

In contrast to our subjects in middle childhood, the 5- and 6-year-olds we studied showed less response to advertising and little inner conflict. They displayed only limited development in their conceptions of morality, fantasy, and economics. They were usually unable to apply the distinction between fantasy and reality and between right and wrong to their experience in the world.

Judgment about fantasy

Studies of cognitive development have indicated that, by age 3 or 4, children sense the distinction between fantasy and reality, although they have trouble articulating it.[4] Our study confirmed that, even by age 5 or 6, children are clearly limited in their ability to use the distinction. A majority of the 5- and 6-year-olds were unable to give answers to questions about make-believe in television or about conventional fantasies like Santa Claus.

Most important, fewer than one third of the 5- and 6-year-olds were able to articulate or apply the critical distinction between make-believe and lying. Nonetheless, the differences between the two that this group sensed were almost identical to those our older subjects spoke of. One 6-year-old said, "You can see make-believe, but you can't see a lie." The 5- and 6-year-olds supported make-believe as something positive that "keeps us happy and prevents us from getting sad." They rejected lying as unacceptable fantasy because "lying is bad and it causes problems."

The 5- and 6-year-olds showed almost no skepticism about the statements or behavior of adult authority figures, however, and showed confusion when asked whether they believed the claims of their parents or of advertisers.

Judgment about morality

Only half the 5- and 6-year-olds stated that telling the truth is important. Almost none could cite circumstances under which lying might be acceptable. An interesting finding of the study was that for children's first and most extensive experience with lying seemed to involve other children rather than adults. This finding explains the lack of skepticism toward adults among this youngest group.

The 5- and 6-year-olds spoke of many occasions when they had been aware that their friends and siblings were lying, but they seemed unaware that adults might lie. Asked if grown-ups ever deceive others, one 5-year-old replied, "No, only bad grown-ups, like robbers and other bad people." Nonetheless, the 5- and 6-year-olds explicitly rejected lying whenever they did perceive it because "lying is a sin," it "hurts people," and "it gets you into trouble." Many in this group stressed the presence of God as their reason for not lying. Here is how a 6-year-old girl responded to our questions:

"Are there times when it is all right to lie?"
"You *can't lie because then God will hate you.*"
"God will hate you?"
"*Well, he'll like you, but he'll never love you.*"

4. See Jean Piaget, *Play, Dreams, and Imitation in Childhood* (New York: Norton Press, 1962.)

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Judgment about economics

The 5- and 6-year-olds showed almost no understanding of the economic functions of money, business, or advertising in society. Asked what would happen if our society did not have money, a 5-year-old girl replied, "I know—people would just go broke!" A 5-year-old boy added, "Everyone would cry." Only a minority of this group showed any understanding of the functions or implications of commercials. In fact, one 5-year-old in our study explained that companies advertise on television "to give actors time to rest." The naïveté of this age group reflects their lack of exposure to real-life situations that would force them to exercise economic judgment or to deal with the economic consequences of misleading advertising.

Advertising & 5- and 6-year-olds

Because they lack the experience to verify their figurative impressions and the cognitive skills to extract information from advertising, children of 5 and 6 are somewhat vulnerable to misleading TV advertising. Most of the young children we studied appeared to regard all television content as entertainment. They often confused programs with commercials and were unable to tell the difference between fantasy and reality in either.

Despite their confusion about advertising, however, the 5- and 6-year-olds who did understand the distinction between make-believe and lying applied it to advertising. They indicated that make-believe in advertising is acceptable but that "nontruths" in advertising are not. When one 5-year-old girl was asked, "Why can fantasies lie and not advertising?" she said, "Because if you [the advertiser] lie, you'll get a big nose."

Although this group might seem vulnerable to TV advertising, they apparently expect little from television content and are forced to make few decisions that would tax their limited ability to evaluate advertising. They leave these decisions to authority figures like parents and teachers. Since it is these personal influences that mold young children's attitudes toward advertising and society, the 5- and 6-year-olds are relatively insulated from the direct influence of television advertising. Because they discriminate between figurative impressions so little and make operational judgments about advertising so seldom, TV commercials appear to have only peripheral impact on 5- and 6-year-olds.

Late childhood cynicism

The 11- and 12-year-olds we interviewed showed a sharp reduction in conflict between their figurative and their operational processes. They seemed to have made certain accommodations to the adult world and its values and to have acquired new skills in processing information. This adjustment correlated with their growth in other areas. In general, they could apply sophisticated moral judgments, make complex fantasy/reality distinctions, and understand the relationship between our economic system and advertising. They could comprehend subtle implications in advertising and use past experience to formulate judgments.

Judgment about fantasy and morality

The 11- and 12-year-olds were able to express sophisticated concepts and their implications for all levels of the fantasy/reality distinction. Our findings suggest that a balancing process was taking place among the 11- and 12-year-olds.

Almost all of them stressed the importance of telling the truth and cited some harmful consequences of lying. But they seemed to have somewhat different moral values from those of the younger children. This older group showed a sharp decrease in the extent to which they experienced or were aware of adult lying and in the extent to which adult lying or hypocrisy bothered them. Under certain circumstances, they even accepted lying. For example, a 12-year-old boy observed that "politicians are not supposed to lie, but I guess they really do." About advertisers, he commented casually, "They always lie." The apparent acceptance of societal hypocrisy by this older group may reflect their recognition of the need to conform to what they view as prevailing societal norms. However, these trends may also be signs of growing cynicism and insensitivity toward certain moral issues.

Judgment about economics

Of all the children we interviewed, the 11- and 12-year-olds articulated the most complex conceptions of how money and advertising function in society. One 11-year-old boy explained that money is an economic convention rather than something of in-

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trinsic value. When asked how people could get products if they had no money, he replied, "Probably we'd use something different from money that's valuable—like if we had a lot of gold." This group readily recognized the negative as well as the positive aspects of money. A typical response came from a 12-year-old girl, who said, "People can steal it from you. I guess the crime rate would be lower if there wasn't any money."

Like the younger groups, the 11- and 12-year-olds reaffirmed the positive functions served by advertising in society, but unlike them, the oldest group showed a broad understanding of our economic system, business economics, and the effects of advertising on consumers. They credited television advertising wtih being "good for the economy and for jobs" and acknowledged the close relationship between persuasion and advertising. One 11-year-old girl explained that companies advertise "so they can put on more business. Then they can get more TV shows on the air, and they get more money for their product."

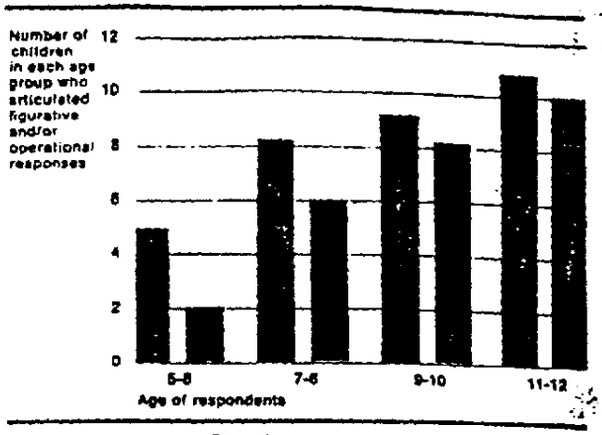
Most of the 11- and 12-year-olds expressed concern about the economic consequences of misleading advertising. One girl asserted that honest advertising is particularly important because "people try a product, and they find out it's not right. Then they waste their money, and money is valuable."

Despite their wariness, the children in this age group appeared to retain the belief that advertising is not always misleading. Moreover, they displayed some of the interpretive skills and economic knowledge required to choose effectively among competing claims.

Advertising & 11- and 12-year-olds

Most important, a majority of the children at this level showed a sharply increased ability to use figurative impressions as a basis for operational judgments. This ability gave the 11- and 12-year-olds the confidence to make operational judgments about the content of TV advertising. More than three quarters of this group actively rejected misrepresentation in advertising as economically and emotionally harmful. Expressing the view that advertising sometimes tells the truth and at other times fails to, almost all in this group rejected certain advertising claims. Three quarters of them felt that advertising is sometimes designed to "trick" the consumer, and two thirds believed that they could discern misleading advertising at least part of the time.

Exhibit II
Average number of children able to respond figuratively and operationally to advertising



*The figurative responses averaged were:
1 "Advertising is designed to sell, persuade, or inform."
2 "Commercials at least sometimes tell the truth."
3 "Commercials at least sometimes try to trick you."

†The operational responses averaged were:
1 "I do not believe certain specific advertising claims."
2 "Lying in advertising is unacceptable because it leads to harmful economic consequences."
3 "I can at least sometimes tell when advertisements mislead."

The 11- and 12-year-olds continued to rely partly on personal experiences to make judgments about the relative truthfulness of advertising. In responding to questions about the extent to which advertising in general tells the truth, whether one can specifically determine the truthfulness of an advertisement, and how much the respondents believe in advertising's promises, a majority cited examples from personal experiences. An 11-year-old indicated that one way in which commercials trick viewers is that "when you buy the package, the product doesn't do what it promises to." Another 11-year-old noted that the only way to find out whether commercials are honest is to "learn by trying."

This continuing reliance on personal experience in revising opinions of products supports Piaget's theory that children grow by testing their own models of reality in specific circumstances and then modifying those impressions according to their experience

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However, this group used new skills to supplement personal experience in evaluating TV advertising claims. These skills enabled the respondents to assess nuances of voice, manner, and language usage in advertising and to refine their perception of advertising claims.

For example, as clues that commercials were not telling the truth, 11- and 12-year-olds most commonly cited "overstatements and the way they [the actors] talk," and times "when they use visual tricks or fake things," "when it just doesn't sound right," and when the commercial "goes on and on in too much detail."

These examples reflect an ability to interpret the conversational habits used in advertising. With a new decoding system, many 11- and 12-year-olds appeared able to extract useful information from advertising and to discard what they considered untrue. This new ability may explain the reduced anger and frustration toward advertising among 11- and 12-year-olds.

The oldest group of children did show some indignation toward misleading advertising but also an ability to glean information from it. Instead of suffering the intense conflict of the 9- and 10-year-olds, this group seemed to accept the ways of the world by becoming somewhat cynical. They could usually protect themselves from false implications, but our evidence suggests that this self-protectiveness may have gone too far. It may eventually make them defensive and distrustful of society.

Practical implications

Our study shows that children between 5 and 12 gradually learn to interrelate their understanding of fantasy, morality, and economics. This integration appears to coincide with an increased ability to deal with advertising by verifying figurative impressions with operational skills.

In summary, we found that each age group tended to respond to advertising in a certain way:

5- and 6-year-olds: They largely ignore advertising as being irrelevant to their lives. Although they sometimes recognize that it can be misleading, they usually enjoy it as part of the programming.

7- to 10-year olds: From 7 to 9, they attempt with great difficulty and little success to integrate advertising into their lives; at age 10, they resolve the conflict temporarily through an overgeneralization that all advertising is misleading.

11- and 12-year-olds: They resolve conflicts more satisfactorily as they refine their early impressions, and thus they can identify both the good and the bad aspects of advertising.

The time lag between figurative and operational growth is reflected in children's attitudes toward advertising. (See *Exhibit II.*) Even young children appear to comprehend the major functions of advertising in society and the fact that there is some social deception in the adult world, including advertising. But not until later years are most children able to use operational techniques to decide whether they believe the claims of specific commercials or whether misleading advertising is ever acceptable.

This time lag creates a period of growing tension in which the child knows that advertisements may sometimes be misleading but is unable to cope effectively with this knowledge. Reducing this tension does not appear to begin until the age of 11 or 12.

Influencing children's attitudes

The 10-year-olds' anger toward misleading advertising as well as the 11- and 12-year-olds' increased tolerance of social hypocrisy raise serious questions about the role of TV advertising in the socialization of children. In most cultures, adolescents have had to deal with social hypocrisy and even with institutionalized lying. But today, TV advertising is stimulating *preadolescent* children to think about socially accepted hypocrisy. They may be too young to cope with such thoughts without permanently distorting their views of morality, society, and business.

Supporters of advertising contend that a child's early experiences with it are just as essential to his development of consumer skills as crawling and walking are to his ability to run. The findings of this study call for responsible advertisers to give this argument close scrutiny. We now have evidence that young children undergo several years of conflict and ten-

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sion before they can cope with the content of advertising, and there is also evidence that this conflict is harmful.

The danger signals need to be weighed carefully within broader studies to determine how much maturation time a child actually needs to master the skills necessary for interpreting advertising with a minimum of conflict and disillusionment. We question whether a child's precocious exposure to advertising is necessary (or even beneficial) to his becoming an alert consumer. In other kinds of growth, early exposure does not accelerate the acquisition of skills. For example, if one twin is immobilized with a broken leg while the other is learning to walk, the first child quickly catches up with his twin as soon as the cast is removed. In only six months, a 5-year-old child moving to a foreign country can become as proficient in speaking its language as a native-born child of the same age. It may be that a 12-year-old can learn to understand advertising without going through four years of moral conflict.

Our findings suggest another problem concerning the 11- and 12-year-olds in our study: while they appeared to be well adjusted to social values and sophisticated about advertising issues, they were less sensitive than younger respondents to key moral issues. This oldest group expressed a high level of skepticism toward authority figures but appeared less bothered than younger groups about adult deceptions and even cynical about social and economic misrepresentation. If advertising contributes to such an attitude, do we want to continue directing it to this age group?

Changing current practice

We recognize that TV advertising is only one way in which society affects the child's growth. But at some point we must decide whether we wish to reduce his exposure to apparently institutionalized hypocrisy, which is what misleading advertising represents to the child until he learns how to interpret it.

Meanwhile, an immediate question faces marketers, manufacturers, and administrators: How can current practice be modified to reduce the conflicts that TV advertising appears to impose on children? One obvious proposal is to educate children to be discriminating interpreters of advertising. But as we said earlier, advertising may accidentally mislead children because it is based on communication habits that only adults can understand.

Perhaps a more practical suggestion is to pretest proposed advertisements with panels of parents. In fact, we might do well to combine this method with using panels of children to pretest advertisements. Why not make constructive use of the 10-year-olds' high level of concern about TV advertising, for instance? A panel of children of this age might be asked whether they or younger children would find a particular commercial misleading.[5]

However, considering the use of guidelines or review boards for advertising raises the serious issues of how to maintain high levels of objectivity and quality in a free-enterprise society without falling into capricious censorship.

What light does our study shed on the issues raised by concerned parents, teachers, marketers, and government leaders? Our findings suggest that all children under 11 are vulnerable to manipulation by irresponsible advertisers but that some age groups are more vulnerable than others. The 7- to 10-year-olds are strained by the very existence of advertising directed to them. Critics as well as advocates of advertising should supplement their concern about the youngest age group with attention to the children whose views of society are the most easily affected—those in middle childhood.

5. See Scott Ward, "Kids' TV: Marketers on the Hot Seat," HBR July-August 1972, p. 16.

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RESEARCH REPORT

Why children start smoking cigarettes: predictors of onset

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Abstract

We review findings from 27 prospective studies of the onset of cigarette smoking conducted since 1980. Almost 300 measures of predictors of smoking onset were examined, and 74% of them provided multivariate support for predictors of onset derived from theory and previous empirical findings. Expected relationships were strongly supported for (a) socioeconomic status, with students with compromised status being more likely to try smoking; (b) social bonding variables, particularly peer and school bonding, with less support for family bonding; (c) social learning variables, especially peer smoking and approval, prevalence estimates, and offers/availability, with less consistent support for parent smoking and approval; (d) refusal skills self efficacy; (e) knowledge, attitudes and intentions, with the expected stronger predictions from intentions than from attitudes than from knowledge; and (f) broad indicators of self-esteem. The few investigators who analyzed their data separately by age, gender, or ethnicity found many differences by these factors, though there were too few of them to detect any pattern with confidence. Though the 27 studies are far from perfect, we believe that they confirm the importance of many well-accepted predictors and raise some questions about others. In particular, family smoking, bonding and approval each received unexpectedly low support. It is not clear whether this lack of support reflects reality as it has always been, is due to a changing reality, reflects developmental changes, either in the age of subjects or the stage of onset, or is due to poor measurement and too few tests. Future prospective studies need to be theory-driven, use measures of known reliability and validity, report analyses of scale properties, and use statistical methods appropriate to the hypotheses or theories under study. Finally, we encourage more investigations of the potentially different predictors of transitions to experimental or regular cigarette smoking. This will require multi-wave studies and careful measurement of changes in smoking behavior.

Introduction

Cigarette smoking is a major preventable cause of premature death and disability throughout the world (Ball, 1990). While the prevalence of smoking among adults has declined during recent years, the prevalence among adolescents remains high, with the age of onset actually declining over time (Flay, 1992). The goal of developing effective adolescent smoking prevention programs depends on the identification of reliable predictors of smoking onset (Collins *et al.*, 1987).

Researchers have used both cross-sectional and longitudinal research designs to investigate the causes of smoking in children. The limitations of cross-sectional designs for studying developmental processes, including the process of becoming a smoker, are well known (Chassin *et al.*, 1986;

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Collins *et al.*, 1987; Flay *et al.*, 1983). In cross-sectional research, relationships are explored between variables, say peer group affiliations and smoking, which are measured at the same time. Cross-sectional studies are useful in suggesting hypotheses and can rule out possible causes when relationships between variables are *not* found. But they do not determine with certainty which came first, smoking or the variables correlated with it.

In contrast, the longitudinal design, or prospective study, can determine the order of events—an important criterion of causation. It can show, for instance that *non-smoking children with certain* peer group affiliations at Time 1 are more likely to have become smokers one year later than are non-smoking children who had different peer group affiliations at Time 1. In order to study onset effectively, we need to take only wave 1 nonsmokers and predict their transition (or lack of it) to first trying smoking. Unfortunately, statistical analyses of most earlier longitudinal studies and some later ones did not take full advantage of the longitudinal nature of the data.

In an earlier review (Flay *et al.*, 1983), we found few longitudinal studies of the predictors of the onset of smoking. Fortunately, many such studies have appeared since then and we limit this review to longitudinal, prospective studies that have appeared since 1980. (Many other studies report trends and patterns of tobacco and other substance use. These are not reviewed here). Because even the longitudinal method does not provide proof of causation, we refer to variables measured at one time that relate to smoking behavior at a subsequent time as predictors, rather than causes.

The onset of smoking involves several stages (Flay *et al.*, 1983; Leventhal & Cleary, 1980; Stern *et al.*, 1987). This paper focuses on action or initiation, the third stage of cigarette smoking onset among adolescents. That is, *our interest is in* prospective predictors of initial smoking. However, limitations of most of the studies we review requires us to limit our interest to prospective predictors of movement from never having tried smoking to any level of smoking (trying, experimenting, or becoming a regular smoker). Unfortunately, few studies have been of long enough duration to investigate separately the predictors of each of these steps.

Studies reviewed

We located 27 reports of prospective prediction of onset published during or since 1980 and that were not available to us for our previous review (Table 1). Two of these studies were quite different from the others. Kellam, Ensminger & Simon (1980) and Pulkkinen (1982) followed samples of Chicago and Finnish youths respectively, from very young ages (6 and 8) respectively) for many years. These published analyses examined predictors of any level of smoking at the final wave of measurement. Strictly speaking then, these studies mix predictors of onset and distal predictors of young adult smoking. By the end of these studies 77% of the Chicago sample and 93% of the Finnish sample had *tried smoking*. All of the following descriptive summaries concern only the remaining 25 studies.

For the remaining 25 studies, the age of students at the beginning of the studies ranged from 10–17 years. The modal (and median) age was 12–13 years. The length of these studies ranged from 6 months to 2 years (mode one year). The number of students who had never tried smoking at the beginning of these studies with complete data at two or more waves ranged from 268 to 5065 (mean = 1127).

Attrition ranged from 8% to 55% (mean = 28%). High levels of attrition may or may not have compromised predictive relationships. We know that students dropping out of studies such as these (or school) are much more likely to be smokers than those students who remain in the studies (and school) (Biglan & Ary, 1985; Flay *et al.*, 1989; Hansen *et al.*, 1985; Pirie, Murray & Luepker, 1988). At minimum, then, the distribution of behavior is altered when attrition is high—correlational relationships between behavior and predictor variables are likely to be affected significantly at the most extreme levels of attrition.

All but eight of these 25 studies were conducted in the United States. Four studies were conducted in Britain, two in Germany, and one each in Australia and the Netherlands. Most of these studies involved urban populations. Generalization of findings is, thus, limited.

The prevalence of smoking at wave 1 among the studied student populations ranged from a low of 8% to a high of 60% (mean = 33%). This is a wide range, and we must wonder whether predictive relationships might be different for different *levels* of the 'adoption curve' or in communities or schools where prevalence remains low. The percentage of wave 1 nonsmokers who tried smoking by the final wave ranged from 2% to 48% (mean = 22%). This too is a wide range. We must be careful to remember the pretest prevalence and the incidence rates

Table 1. *Characteristics of 27 studies of smoking onset*

Studies	Year of publication	Place	Age at start of study	Time (months)	N non-smoker	Wave 1 Other	Wave 1 prevalence	Analytic method
1. Ahlgren *et al.*	1982	Minnesota	10–11, 11–12	6	562		44	MANOVA
2. Alexander *et al.*	1983	NSW Australia	10,11,12	12	5065		10	LR
3. Ary *et al.*	1980	Oregon	12–13, 14–15, 15–16	24	801		9	MR*
4. Ary & Biglan	1988	Oregon	12–15, 15–16	12	737		8	DIS,MR
5. Botvin *et al.*	1984	N. Carolina	12–15	12	519		52	PAR
6. Bruvold & Mosson	1984	NY City	12–16	84	380		28	MR
7. Charlton & Blair	1989	Aberdeen, UK	12–13	24	1513		55	DIS,MR
8. Chassin *et al.*	1984	Indiana	11–16	12	1207		44	DIS
9. Chassin *et al.*	1986	Indiana	11–16	12	1459		51	DIS
10. Collins *et al.*	1987	Los Angeles	12–13	18	1354*		60	R
11. de Vries *et al.*	1990	Netherlands	Secondary	12	555		15	LR
12. Goddard	1990	England	11–15	24	2251		39	LR,LOG
13. Kellam *et al.*	1980	Chicago	6–7	120	705		6	PAR
14. Krohn *et al.*	1983	Iowa	12–18	12	346		44	DIS
15. Lawrence & Robinson	1986	Illinois	12–14	8	346		58	DIS
16. McCool *et al.*	1982	Minnesota	12–13	30	268		10	DIS
17. McNeill *et al.*	1989	Bristol, UK	11–13	30	1261		42	LISREL
18. Mittelmark *et al.*	1977	Minnesota	12–14, 14–16	18	887		15	DIS
19. Murray *et al.*	1983	Derbyshire	11–12	24	2217		24	LOG
20. Newcomb *et al.*	1991	Los Angeles	12–13, 13–14, 14–15	48	57		4	LISREL
21. Pulkkinen	1982	Finland	8–9	96	55		8	ANOVA
22. Sussman *et al.* (a)	1987	Berlin-Bremen	12–14	24	635†		9	LR
23. Sussman *et al.* (b)	1987	Berlin-Bremen	12–13	24	17		33	LR
24. Stabler *et al.*	1985	Iowa	12–18	24	18		21	DIS
25. Stacy *et al.*	1988	Los Angeles	12–13	18	39		50	DIS
26. Sussman *et al.*	1987	Los Angeles	12–13	18	39		50	LISREL*
27. Urberg *et al.*	1990	Detroit suburb	13–14, 14–17	12	88		50	DIS
			Mode &	Min = 21	Min = 28	Min = 1127	Min = 33	MR
			Median	SD = 23	SD = 13	SD = 971	SD = 17	
			= 12–13	Mode = 12				

Notes:
Time = Number of months from beginning of study to final follow-up wave.
N non-smokers = Number of non-smoking students at beginning of study.
% Attr = Percent attrition during study.
% Onset = Percent of previous non-smokers trying smoking by follow-up.
~ = Approximate estimate based on provided information.
na = Not available.
* Analysis conducted and predictors tested on split half samples.
** 60% White, 34% Hispanic, 37% Black, 24% Asian.
† Partly due to selection of smaller subsamples because of incomplete testing.

Min = Minus.
SD = Standard deviation.
All Ns and SD exclude the Kellam and Pulkkinen studies.
Analytical method:
R = Correlation.
MANOVA = Multivariate Analysis of Variance.
MR = Multiple Regression.
LR = Logistic Regression.
DIS = Discriminant Analysis.
LISREL = Covariance Structural Models.
*A continuous dependent variable (amount smoked) was used.
In all other analyses the dependent variable was dichotomous.

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when interpreting different findings from different studies.

In most cases the dependent variable was dichotomous, although Ary *et al.* (1983) used a continuous transformed variable of amount smoked at wave 2. Twelve of the studies used discriminant analysis or logistic regression methods, discriminating between those wave 1 nonsmokers who tried smoking by wave 2 and those who did not. Most of the investigators not using discriminant analysis, used multiple regression and three recent studies used LISREL.

Findings

Findings of the 27 studies are summarized in Table 2. We consider the variables in much the same groupings as suggested by our previous model of the onset process (Flay, 1992). In the sections below, we summarize the findings by noting the proportion of results that were consistent with theoretical expectations and then describing briefly the non-confirming findings.

Sociodemographic factors

Sociodemographic factors were investigated as predictors of smoking onset with 21 indicators in 11 studies. Measures of sociodemographic status included socioeconomic status (SES), age, gender, *parental education and occupation, single-parent status,* home density (operationalized as the number of people per bedroom), school type and location, availability of spending money, and recent migration from the south of the United States.

Findings were consistent with theoretical expectations 76% of the time (16 of 21 indicators). Lower SES (de Vries *et al.*, 1990; Semmer *et al.*, 1987a) and older age (Alexander *et al.*, 1983; Brunswick & Messeri, 1984, [females only]; McNeil *et al.*, 1989) predicted onset consistently in multiple studies. Female gender (Goddard, 1990), occupation (Murray *et al.*, 1983), being a single-parent (Goddard, 1990), availability of spending money (Alexander *et al.*, 1983) and recent migration from the south for black urban females (Brunswick & Messeri, 1984) also predicted onset in one study each.

Often the same variable was predictive in one analysis or study but not in another. In one study, Ary & Biglan (1983) found that the number of people per bedroom was predictive of onset, but in another study by the same group (Ary *et al.*, 1988) it was not. Type of school was predictive in the de Vries *et al.* (1990) and Semmer *et al.* (1987a,b) studies but not in the Alexander *et al.* (1983) work. Ary & Biglan (1988), and Semmer *et al.* (1987b) found that less parent education was predictive of smoking onset, but Mittelmark *et al.*, 1987) found it only for high school females, and Ary *et al.* (1988) did not find it at all.

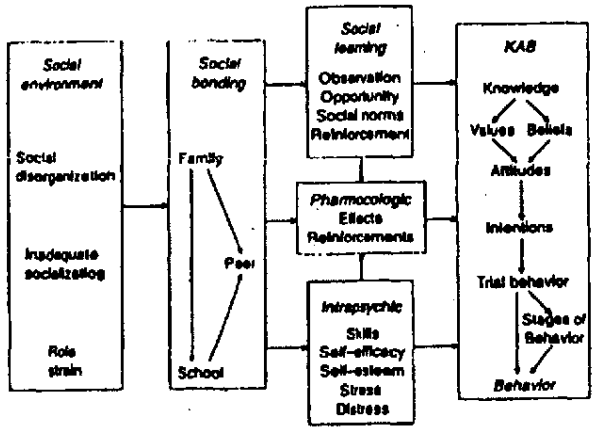

Figure 1. *Six domains of determinants of tobacco use.*

Table 2. *Observed predictors of smoking onset in 27 studies: Number of supportive (+ +) and unsupportive (− −) findings*

Predictors	Subtots + +	Subtots − −	Totals + +	Totals − −	%Support
SES					
Total			16	5	76
Social bonding					
Family	9	6			60
Peer	11	4			73
School	20	5			80
Religiosity	0	1			0
Total			40	16	71
Social learning					
Family smoking	18	8			69
Family approval	6	8			43
Other adult influences	5	3			63
Peer use and approval	27	5			84
Prevalence estimates	4	1			80
Offers/availability	7	1			88
Total			67	26	72
Intrapersonal variables					
Total			23	7	77
Refusal skills					
Total			3	0	100
KAB					
Knowledge/beliefs	16	9			64
Attitudes	8	3			73
Intentions	8	1			89
Other behaviors	12	2			86
Total			44	15	75
Totals			193	69	74

Social bonding

Social bonding factors were investigated as predictors of smoking onset with 56 indicators in 20 studies. Social bonding included family bonding, peer bonding, school influences, and religiosity. Findings were consistent with theoretical expectations in 40 cases (71%) and inconsistent in 16 cases.

Family bonding. Family bonding factors were investigated as predictors of smoking onset with 15 indicators in 9 studies. Measures of family bonding included attachment to mother and father, having father present, spending spare time with family, parents' academic expectations of their child, and *supervision/strictness.*

Only 60% of the findings were consistent with theoretical expectations (nine of 15 indicators). Often the same variable was predictive in some analyses or studies but not in others. In two studies (Ahlgren *et al.*, 1982; Krohn *et al.*, 1983) lower level or quality of attachment to parents was predictive of onset, but in one study (Brunswick & Messeri, 1984) it was predictive only for females, and in another study (Mittlemark *et. al.*, 1987) it was not predictive. Skinner *et al.* (1985) found attachment to parents to predict onset only for older students, and found the opposite relationship for younger students. Lower levels of supervision/strictness was predictive in two studies (Mittlemark *et al.*, 1987; Murray *et al.*, 1983) but not in three others (Krohn *et al.*, 1983; McNeill *et al.*, 1989; Skinner *et al.*, 1985). Chassin *et al.* (1986) found an interaction between levels of parental strictness and age, with higher levels of strictness predicting onset for younger subjects (ages 11–12), lower levels predicting onset for older subjects (ages 15–16) and no relationship for subjects in between (ages 13–14).

Having a father present (Brunswick & Messeri, 1984) *and parents' academic expectations* (Chassin *et al.*, 1984) were examined but were non-predictive.

Peer bonding. Peer bonding factors were investigated as predictors of smoking onset with 15 indicators in nine studies. Measures of peer bonding included number of friends, attachment to or agreement with peers, social involvement pertaining to social life, anti-social activities, sports and job

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involvement, number of clubs an adolescent belonged to and having a boyfriend or girlfriend.

Findings were consistent with theoretical expectations 71% of the time (11 of 15 measures). Attachment to or agreement with peers predicted onset consistently in four studies (Ahlgren *et al.*, 1982; Krohn *et al.*, 1983; Semmer *et al.*, 1987b; Skinner *et al.*, 1985), but only for high school students in one study (Chassin *et al.*, 1984). Number of friends (Brunswick & Messeri, 1984, [males only]; Murray *et al.*, 1983), level of social life (Kellam *et al.*, 1980), participation in anti-social activities (Kellam *et al.*, 1980), and having a boyfriend or girlfriend (McNeill *et al.*, 1989) also predicted onset.

In one study (Murray *et al.*, 1983) having a job was predictive of onset, but in two other studies (Krohn *et al.*, 1983; Skinner *et al.*, 1985) it was not. Sports involvement (Murray *et al.*, 1983) and number of clubs belonged to (Brunswick & Messeri, 1984) were examined but they were non-predictive.

School influences. School influences factors were investigated as predictors of smoking onset with 25 indicators in 17 studies. Measures of school influences included: school-level variance in prevalence of student smoking, academic values/expectations, academic achievement, reading test scores, aspirations and grade point average (GPA), commitment/satisfaction, favoring school discipline, problem behavior/truancy, extracurricular and prevention program.

Findings were consistent with theoretical expectations 80% of the time (in 20 cases). Academic values/expectations (Ahlgren *et al.*, 1982; Bauman *et al.*, 1984; Chassin *et al.*, 1984; Goddard, 1990); commitment/satisfaction (Ahlgren *et al.*, 1982; Krohn *et al.*, 1983; Murray *et al.*, 1983; Skinner *et al.*, 1985), and school-level variance (Bauman *et al.*, 1984; Semmer *et al.*, 1987a,b) were each consistent predictors of onset in multiple studies.

Exhibiting little problem behavior/truancy was predictive of onset in one study (Murray *et al.*, 1983) but only for Whites and Asians (not Blacks or Hispanics) in Los Angeles (Sussman *et al.*, 1987). Also predictive were having high aspirations and a good GPA (Newcomb, McCarthy & Bentler, 1989), favoring school discipline (Murray *et al.*, 1983), and being involved in extracurricular activities (McCaul *et al.*, 1982).

Other mixed findings were also present. In several studies, academic achievement was predictive of onset (Ahlgren *et al.*, 1982; McCaul *et al.*, 1982; Pulkkinen, 1982), and Sussman *et al.* (1987) found it to be predictive for Whites and Asians (and not for Blacks and Hispanics), but in studies by Brunswick & Messeri (1984) and Kellam *et al.* (1980) it was not predictive. Reading test scores (Brunswick & Messeri, 1984) and exposure to prevention programs (Alexander *et al.*, 1983; Charlton & Blair, 1989) were examined but were non-predictive.

Religiosity. Religiosity was examined in one study (Krohn *et al.*, 1983). It was non-predictive.

Social learning

Social learning factors were investigated as predictors of smoking onset with 93 indicators in 22 studies. Social learning factors included: family smoking, family approval, other adult influences, peer influences, prevalence estimates, and offers and availability of cigarettes. Findings were consistent with theoretical expectations in 87 cases (72%) and inconsistent in 26 cases.

Family smoking. Family smoking factors were investigated as predictors of smoking onset with 26 indicators in 16 studies. Measures of family smoking included parent smoking, sibling smoking, and smoking in general.

Findings were consistent with theoretical expectations 69% of the time (in 18 cases). Older sibling smoking (Bauman *et al.*, 1984; Chassin *et al.*, 1984; McCaul *et al.*, 1982) predicted onset consistently across multiple studies. Mother's smoking status was also predictive in two studies (Ahlgren *et al.*, 1982; Skinner *et al.*, 1985, [males only]).

Sometimes the same variable was predictive in some analyses or studies but not in others. Parent smoking in general was predictive in five studies (Chassin *et al.*, 1984; Goddard, 1990; Murray *et al.*, 1983; Semmer *et al.*, 1987a,b), predictive for females only in two others (Charlton & Blair, 1989; Chassin *et al.*, 1986) and not in six others (Alexander *et al.*, 1983; Ary *et al.*, 1983; Ary & Biglan, 1988; McCaul *et al.*, 1982; McNeil *et al.*, 1989; Mittelmark *et al.*, 1987). Ahlgren *et al.* (1982), found that *father smoking was* predictive of onset, but Skinner *et al.* (1985) did not. Ahlgren *et al.* (1982) also found that mother smoking was predictive. Skinner *et al.* (1985) found that *mother smoking* was predictive of onset for *males* only. Sibling smoking in general was predictive in three studies (Alexander *et al.*, 1983; Goddard, 1990; Murray *et al.*, 1983), only for younger females in one study (Mittelmark *et al.*, 1987) and not at all in one study (Ary & Biglan, 1988).

Family approval. Family approval factors were investigated as predictors of smoking onset with 14 indicators in 10 studies. Measures of family approval included approval/disapproval, supportiveness, attitudes toward smoking, agreement with smoking, and sibling pressures.

Findings were consistent with theoretical expectations only 43% of the time (six cases) and inconsistent in eight cases. De Vries *et al.* (1990) were the only investigators to examine sibling pressure, and found it to be predictive of onset. Chassin *et al.* (1984) found that perceived agreement between parents regarding expectations of the adolescent was predictive.

Most of the remaining family approval measures were predictive in one situation but not in another. In three studies (Bauman *et al.*, 1984; Chassin *et al.*, 1986; Collins, 1987), parental attitudes toward smoking was predictive of onset, but in four others (Ary *et al.*, 1983; Ary & Biglan, 1988; McNeill *et al.*, 1989; Murray *et al.*, 1983) it was not. Chassin and colleagues found general parental supportiveness to be predictive of smoking onset on one study (1986) but not in another (1984).

Family approval/disapproval of smoking (Ary *et al.*, 1983; Ary & Biglan, 1988; Sussman *et al.*, 1987) was examined in three studies but it was non-predictive.

Other adult influences. Other adult influences were investigated as predictors with eight indicators in six studies. Measures of other adult influences included other adult smoking, other adult approval, other adult pressure, exposure to advertising, watching tobacco sponsored sports, and church approval.

Findings were consistent with theoretical expectations in five cases (63%) and inconsistent in three cases. Other adult approval (McNeill *et al.*, 1989; Sussman *et al.*, 1987, [for Hispanics and Asians only]); other adult pressure (de Vries *et al.*, 1990); and church approval (Bauman *et al.*, 1984) were predictive of onset.

One study (Sussman *et al.*, 1987) found other adult smoking was predictive of onset for Whites and Asians, but Alexander *et al.* (1983) reported a non-significant finding. Exposure to tobacco advertising (Goddard, 1990) and watching tobacco sponsored sports (Charlton & Blair, 1989) were examined in one study each, but they were non-predictive.

Peer influences. Peer influences were investigated with 32 indicators in 19 studies. Measures of peer influences included friends' smoking, friends use of other substances, friends expectations regarding smoking, friends approval, social normative beliefs, and motivation to comply.

Eighty-four percent of the reported findings (27 of 32 cases) were consistent with theoretical expectations. Friends' smoking was predictive in 15 studies (Alexander *et al.*, 1983; Ary *et al.*, 1983; Ary & Biglan, 1988; Bauman *et al.*, 1984; Charlton & Blair, 1989, [females only]; Chassin *et al.*, 1984, 1986; de Vries *et al.*, 1990; McCaul *et al.*, 1982; Mittelmark *et al.*, 1987; Murray *et al.*, 1983; Semmer *et al.*, 1987a,b; Stacy *et al.*, 1988; Sussman *et al.*, 1987, [Asians only]; Urberg, Cheng & Shyu, 1990) but not in one (Newcomb *et al.*, 1989). In a LISREL analysis of the role of different social influences, Stacy *et al.* (1988) found that friends' smoking did not add to the prediction of onset in a model that included prevalence estimates, susceptibility to offers, and peer bonding (subjective norms). Friends' approval of smoking was predictive of onset in six studies (Ary & Biglan, 1988, [older students only]; Bauman *et al.*, 1984; Collins *et al.*, 1987; McNeill *et al.*, 1989; Murray *et al.*, 1983; Sussman *et al.*, 1987, [Whites and Hispanics only]) but not on two others (Ary *et al.*, 1983; Chassin *et al.*, 1986). Friends' use of other substances (Ary & Biglan, 1988) and friends' expectations regarding smoking (Chassin *et al.*, 1986; Murray *et al.*, 1983) were predictive of onset. Stacy *et al.* (1988) found social normative beliefs to be predictive but Chassin *et al.* (1984) did not. Motivation to comply was predictive in the Collins *et al.* (1987) study but not in the Chassin *et al.* (1984) study.

Prevalence estimates. Despite the widespread knowledge that students tend to overestimate the proportion of their own peers or adults who smoke, and the likely influence of these misperceptions on behavior, very few investigators have studied the phenomenon longitudinally. Smoking prevalence estimates were investigated with five indicators in four studies. Measures of prevalence estimates included prevalence estimates in general, as well as estimates of smoking among peers, adults, and teachers.

Findings were consistent with theoretical expectations 80% of the time (in four cases). Prevalence

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estimates of use by peers was consistently predictive in three studies (Chassin *et al.*, 1984; Collins *et al.*, 1987; Stacy *et al.*, 1988). Chassin *et al.* (1984) found the relationship to be stronger for younger than older students. Chassin *et al.* (1984) also found that estimates of adult use were predictive of onset, more strongly for older than younger students, but the opposite of their findings for estimates of peer smoking. Stacy *et al.* (1988) conducted a 3-wave analysis of the relationship between prevalence estimates and friends' use, and of their relative predictive power. They found that: (a) prevalence estimates of T1 were correlated with number of friends smoking at T1 (even prior to any personal smoking); (b) friends' smoking at T1 influenced smoking onset at T2; (c) friends' smoking at T1 also influenced prevalence estimates at T2; and (d) prevalence estimates at T1 influenced smoking onset at T3. Estimates of smoking among teachers was examined in one study (McNeill *et al.*, 1989) but was non-predictive.

Offers/availability. One needs no theory to suspect that those students more often offered cigarettes by parents, other adults or peers are more likely to start smoking. The general availability of cigarettes ought also to predict smoking onset. Offers/availability factors were examined with eight indicators in seven studies. Measures of offers/availability included general offers, offers from parents, offers from siblings, and general availability.

Findings were consistent with theoretical expectations in seven cases (88%) and inconsistent in one case. General availability predicted onset in three studies (Bauman *et al.*, 1984; Semmer *et al.*, 1987b; Sussman *et al.*, 1987, [but not for Asians]). Offers from parents and offers from siblings (Murray *et al.*, 1983) were also predictive.

In two studies (Ary *et al.*, 1983; Ary & Biglan, 1988) general offers was predictive of onset for junior high school students, but in another study (Stacy *et al.*, 1988) it was not. No studies examined offers from friends.

Intrapersonal/personality/self-image

Intrapersonal/personality/self-image factors were investigated with 30 indicators in 14 studies. Measures of intrapersonal/personality/self-image included locus of control, tolerance of deviance, independence, alienation, curiosity, rebelliousness/risk-taking, intelligence, constructiveness, shy/submissiveness, aggressiveness, social helplessness, self esteem, personal efficacy, social impact efficacy, social expectancy, distress/stress, emotional well-being, and short time orientation.

Findings were consistent with theoretical expectations in 23 cases (77%) and inconsistent in seven cases. Rebelliousness/risk-taking predicted smoking onset in multiple studies (Bauman *et al.*, 1984; Collins *et al.*, 1987; Mittelmark *et al.*, 1987; Sussman *et al.*, 1987, [but only for Blacks]). Being shy/submissive and aggressive also predicted onset (Kellam *et al.*, 1980; Pulkkinen, 1982). Locus of control (Chassin *et al.*, 1984), tolerance of deviance (Chassin *et al.*, 1984), alienation (Brunswick & Messeri, 1984, [males only]), curiosity (Bauman *et al.*, 1984), intelligence (Kellam *et al.*, 1980), constructiveness (Pulkkinen, 1982), personal efficacy (de Vries *et al.*, 1990), and short time orientation (Brunswick & Messeri, 1984, [females only]) also predicted onset in one study each.

In several studies (Ahlgren *et al.*, 1982; Semmer *et al.*, 1987a, [Hauptscule only], 1987b, Sussman *et al.*, 1987, [Asians only]) self esteem was predictive of onset, but in another study (Goddard, 1990) it was not. Independence was predictive for older males in the Mittelmark *et al.* (1987) study but not at all in the Chassin *et al.* (1984) study. Distress/stress was predictive in the Semmer *et al.* (1987b) study but not in the Brunswick & Messeri (1984) study.

Social helpfulness (Pulkkinen, 1982), social impact efficacy (Newcomb, McCarthy & Bentler, 1989), social expectancy (Brunswick & Messeri, 1984) and emotional well-being were examined but they were non-predictive.

Refusal skills. With the recent focus on resistance skills, it is surprising that only three prospective studies (Lawrence & Robinson, 1986; Stacy *et al.*, 1988; Sussman *et al.*, 1987) have included measures of ability or self-efficacy to refuse offers (or susceptibility to offers). Findings were consistent with theoretical expectations in all studies.

All of Lawrence & Rubinson's measures concerned student self-efficacy to refuse offers of cigarettes under various conditions. Sussman *et al.* (1987) found student ratings of their difficulty in refusing offers to predict subsequent smoking onset. As with availability, we observed this relationship for White, Hispanic and Black students, but not for Asians. Stacy *et al.* (1988) found that susceptibility to offers was a strong predictor of onset, second only to prevalence estimates.

Knowledge, attitudes, and behaviors

In developmental theories of onset, development of supportive knowledge, beliefs, attitudes and intentions are part of the process of becoming a smoker, as well as being predictors. However, most studies have considered these only as predictors. Knowledge, attitudes, intentions and related behaviors were investigated as predictors of smoking onset with 59 indicators in 21 studies. Findings were consistent with theoretical expectations 75% of the time (in 44 cases).

Knowledge/beliefs. Knowledge/beliefs factors were investigated with 24 indicators in 14 studies. Measures included knowledge/beliefs regarding physical consequences and addiction, subjective expected utility, positive expectancies, negative expectancies, affective expectancies, look/smell good/bad, health knowledge, effect on self-image, beliefs about friends and alcohol, and perceived weight.

Findings were consistent with theoretical expectations for 67% of the cases (16 cases) and inconsistent in eight cases. Affective beliefs (Semmer *et al.*, 1987a, [Hauptscule only]; 1987b), and tobacco and alcohol beliefs (Krohn *et al.*, 1983; Skinner *et al.*, 1985) each predicted onset consistently in multiple studies. Beliefs about the effects of smoking on self-image predicted onset in two studies (Semmer *et al.*, 1987b; Sussman *et al.*, 1987), though only for Whites and Hispanics in Los Angeles (Sussman *et al.*, 1987). Beliefs about addiction (Mittelmark *et al.*, 1987, [older students only]) and positive expectancies (Charlton & Blair, 1989, [females only]) also predicted onset in one study each, though only for subgroups in each case.

In several studies, knowledge of physical consequences (McCaul *et al.*, 1982; Middelmark *et al.*, 1987, [younger students only]; Murray *et al.*, 1983; Semmer *et al.*, 1987b) was predictive but not in other studies (Collins *et al.*, 1987; McNeill *et al.*, 1989; Sussman *et al.*, 1987). Subjective expected utility was predictive in the Bauman *et al.* (1984) study but not in the Stacy *et al.* (1988) study. Look/smell good/bad was predictive for older females in the Mittelmark *et al.* (1987) study but not at all in the McCaul *et al.* (1982) study.

Negative expectancies (Charlton & Blair, 1989), perceived weight (Brunswick & Messeri, 1984), health knowledge (Charlton & Blair, 1989) were examined but were non-predictive.

Attitudes. Attitude factors were investigated with 11 indicators in ten studies. Measures included attitudes toward smoking and toward a smoking ban in public, approval of cigarette ads, viewing the health professional as an exemplar, and thinking about health.

Findings were consistent with theoretical expectations in eight cases (73%) and inconsistent in three cases. Attitudes toward banning smoking in public places (McCaul *et al.*, 1982), viewing the health professional as an exemplar (Mittelmark *et al.*, 1987) and thinking about health (Brunswick & Messeri, 1984) were predictive of onset among females only in one study each.

Attitudes toward smoking were predictive of onset in four studies (Chassin *et al.*, 1984; Goddard, 1990; de Vries *et al.*, 1990; Murray *et al.*, 1983) but not in two others (McNeill *et al.*, 1989; Mittelmark *et al.*, 1987). Approval of cigarette ads was predictive in the Alexander *et al.* (1983) study but not in the Charlton & Blair (1989) study.

Intentions. Smoking intentions were investigated in nine studies. Findings were consistent with theoretical expectations 89% of the time. In eight studies, intentions to smoke predicted onset (Ary *et al.*, 1983, [younger students only]; Ary & Biglan, 1988; Bauman *et al.*, 1984; Chassin *et al.*, 1984; Goddard, 1990; McCaul *et al.*, 1982; Newcomb *et al.*, 1989; Sussman *et al.*, 1987, [but only for Asians]). Chassin *et al.* (1984) found intentions to be a stronger predictor of onset for high school than middle school students. (They also found intentions to be a stronger predictor of transition from trying to further experimentation than of initial onset). In the McNeill *et al.* (1989) study, intentions were not predictive of smoking onset behavior.

Other behaviors. In general, one of the strongest predictors of any behavior is prior behavior. In the absence of actual smoking behavior, other exposures to smoking and related behaviors should be predictive. Other behaviors were investigated with 14 indicators in 11 studies. Measures of other behaviors included prior experience/exposure, alcohol use other substance use, good health habits and food consumption.

Findings were consistent with theoretical expectations in 12 cases (86%) and inconsistent in two cases. Alcohol use (de Vries *et al.*, 1990; McNeill *et al.*, 1989) and other substance use (Ary *et al.*, 1983; Ary & Biglan, 1988) predicted onset consistently in multiple studies. Food consumption (Brunswick &

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Messeri, 1984) also predicted onset for females in one study.

In several studies, prior experience with or exposure to smoking was predictive of onset (Ary & Biglan, 1988; Chassin *et al.*, 1984; Goddard, 1990; Krohn *et al.*, 1983; McNeill *et al.*, 1989; Newcomb *et al.*, 1989; Semmer, 1987b) but *in one it was not* (Charlton *et al.*, 1989). Good health habits were examined in one study (Brunswick & Messeri, 1984) but were non-predictive.

Discussion

Findings

The longitudinal prospective studies reviewed here provide considerable support for predictors of onset derived from theory and previous empirical findings. Overall support was found for 74% of all measures (191/261). This ranged from a low of 43% *for family* approval to a high of 100% for refusal skills self efficacy.

Expected relationships were found for sociodemographic variables 76% of the time. Such relationships were observed *in Australia* (Alexander *et al.*, 1983); Britain (Goddard, 1990; McNeill *et al.*, 1989; Murray *et al.*, 1983); Germany (Semmer *et al.*, 1987a); the Netherlands (de Vries *et al.*, 1990); and the USA (Ary & Biglan, 1988; Brunswick & Messeri, 1983; Mittelmark *et al.*, 1987; Bauman *et al.*, 1984). However, the small number of studies from any given country precludes any meaningful sub-analysis by country of residence to discern variations. In all cases where theoretically supportive relationships were found, students with compromised sociodemographic status were more likely to become cigarette smokers. This relationship was *even more* powerful in the German studies (Semmer *et al.*, 1987a,b) than in most other studies.

Social bonding *variables* received good overall support. Peer bonding and school bonding received *consistently positive support* (73% and 80% respectively). Family bonding received a low level of support (60%, the second lowest), but it was assessed only 15 times. Chassin *et al.* (1986) found that higher strictness predicted onset for younger students (perhaps reflecting rebelliousness) and lower strictness predicted onset for older students (perhaps reflecting more mature decision making). Perhaps this interaction explains the inconsistency of other findings.

Social learning variables include parent smoking and approval, other adult smoking and approval, peer smoking and approval, prevalence estimates, and offers/availability. Overall findings provided a high level of support for this set of variables (72%). However, the family approval variables received very low support (43%). Although this is based on only 7 observations, it does represent a lower than chance finding. Family smoking received only moderate support, but closer examination found a high level of support for sibling smoking as a predictor of onset (88% of tested cases) vs. a lower level of support for parent smoking as a predictor of onset (50%).

—It seems that family, particularly parent, behavior and approval variables play a much less consistently important role in predicting onset than most writers have here-to-fore assumed. This may be a function of changing times—maybe parents played a more important role in adolescent socialization prior to the last decade. Or, perhaps parental influences of smoking onset are gender specific. Results showed that at times the gender of the parent smoking mattered in predicting onset, and in one study, the gender of the parent influenced smoking onset but only for one gender. Alternatively, it may be a function of the age of most of the subjects in these studies (median and mode or age 12–13). This is the age of highest peer-group identification. Still another alternative is that onset is predicted more by non-family environmental factors, including peer behavior, while intentions to become a regular smoker or the transition to experimental smoking may be influenced more by family variables.

Intrapersonal variables also received a high level of support (77%). One intrapersonal variable that received high support was rebelliousness/risk-taking. This relationship has probably received support in all studies in which it has been assessed since Stuart & Livson's (1966) hallmark prospective study, though we failed to recognize its importance in our previous review (Flay *et al.*, 1983). In Los Angeles, however, we found rebelliousness/risk-taking to predict for only Blacks, and not for Whites, Hispanics, or Asians (Sussman *et al.*, 1987), suggesting some definite limits to its generalizability.

It is noteworthy that self-esteem received fairly consistent support from the reviewed longitudinal studies. This is better than we would have expected from our reading of previous cross-sectional studies. Both Ahlgren *et al.* (1982) and Semmer *et al.* (1987a,b) used very broad measures of self-esteem. Ahlgren used the "Self Appraisal Inventory" (Instructional Objectives Exchange, 1972), which includes four aspects of self concept—family (gets along well with family which cares for and is considerate), peer (others like, and get along well), school (a good student and emotionally comfortable in school), and general (trustworthy, attractive, smart). The first three categories seem to be measures of social bonding as much as self-esteem. Semmer *et al.* used a summary measure made up of measures of anxiety (Piers & Harris, 1969), depression (Reynolds & Richmond, 1978), self-esteem (Rosenberg, 1965, 1979), life events and daily hassles (Kanner *et al.*, 1981; Newcomb, Huba & Bentler, 1981), family climate (Randolph & Dye, 1981), and popularity (acceptance by and influence on peers). This indicator clearly combines a wide range of *anxiety, depression, and stress* measures with more traditional measures of self-esteem and social acceptance. In both these studies, then, *it is* impossible to know what aspects of the very broad measures of self-esteem were responsible for predicting smoking onset.

The role of refusal skills or, more correctly, self-efficacy regarding the use of refusal skills, in the prediction of smoking onset was assessed in only three studies. In all three, the predictive relationship was confirmed. This is a case where a prediction hypothesized from theory, and for which there was not previous prospective evidence, was confirmed.

The role of knowledge/beliefs, attitudes, intentions, and other behaviors in predicting smoking onset was confirmed in 76% of tests. As we would have expected (Flay *et al.*, 1983), intentions and other behaviors *were more consistently confirmed*, attitudes less so, and knowledge/beliefs even less so.

Methodological issues

We chose to look for consistency of findings from multivariate analyses rather than attempt to estimate effect sizes for univariate relationships. This decision was based on our belief that relationships found consistently in multivariate analyses will be the important ones for future prevention efforts. From a methodological perspective, however, it simply would have been impossible to estimate effect sizes reliably because there was too much inconsistency in how results were reported. If the data allowed, it would have been informative to examine variation in outcomes by such factors as age, country of residence, and time lapse between pretest and posttest. The magnitude of correlations of a predictor variable with onset varies with question wording, length of time between assessment periods, and reliability and scaling of the variable. Unlike longitudinal studies of drug use (see methodological critique by Miller, Flay & Petraitis, 1992), most researchers of predictors of smoking did appear to report all of their measured variables and acknowledged negative or null findings.

Multivariate analyses also provide more promise for understanding *how* or *why* variables predict onset. The most promising approach for such understanding is, of course, structural equation modeling (LISREL and its related techniques). Such analyses require, however, that (a) the dependent variable be continuous or else the matrix of polychoric correlations be analyzed, and (b) the investigator have a theory or model to test. They are not useful when fishing for relationships (basic *correlational analyses*) or the relative importance of predictors (regression analyses). However, for an investigator with a *model to test*, an appropriate covariance structure analysis can confirm or disconfirm the importance and role of a predictive variable. For example, a distal variable may be very important, as evidenced by its indirect effect, even though its univariate correlation with onset may be small. In addition, structural analysis can correct for unreliability of measurement when one has multiple indicators, each of which may be unreliable. We encourage much more use of structural analysis, now that the methods have been made more accessible by inclusion in SAS (1990).

Few researchers have tested competing theoretical models. Only Chassin *et al.* (1984) tested more than one theory on the same data set. Most studies *have been based on different*, unstated, or a theoretical orientations, so it is difficult to see a consistent *pattern across studies*. *It is important* that future research test competing theories. Few of the studies reviewed included any model or theory of the relationships between predictors and smoking onset. Future prospective research needs to be theory-driven. A key role for theory is to explain the developmental process and time frame between the onset of the predictor variable and the onset of cigarette smoking.

Theories of onset hypothesize different predictors for different stages of becoming a smoker (Flay *et al.*, 1983; Leventhal & Cleary, 1980; Skinner *et al.*, 1985). When writing our last review, we observed that "no studies to date have attempted to determine the different antecedents for the different stages of the process of becoming a smoker" (Flay *et al.*, 1983, p. 136). Very few investigators have done so since. Most notable is the work of Chassin and her

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colleagues (1986). For example, they found that social environmental variables (Jessor & Jessor, 1987) and risk-taking/rebelliousness provided the best prediction of onset, whereas the Ajzen & Fishbein (1970) theory of reasoned action (attitudes plus social normative beliefs) provided the best prediction of further transitions, and no combination of variables predicted onset among senior high school students very well. We need more such studies/analyses. The research reviewed here is of only limited construct validity, being limited to predictors of onset and not necessarily informing prediction of transitions to experimental or regular smoking.

Some writers have also suggested that the importance of different predictors may change as adolescents develop, and for males and females. It is also reasonable to expect such differences for different ethnic or cultural groups. Those investigators who did conduct their analyses by age (Ary *et al.*, 1983; Ary & Biglan, 1988; Chassin *et al.*, 1984; Collins *et al.*, 1987; Mittelmark *et al.*, 1987), gender (Brunswick & Messeri, 1984; Charlton & Blair, 1989; Chassin *et al.*, 1984, 1986; Mittelmark *et al.*, 1987; Skinner *et al.*, 1985) or ethnic group (Sussman *et al.*, 1987) all found many such differences. Unfortunately, there were too few *consistent findings* to detect many stable patterns. For example, Ary and colleagues and Chassin and colleagues carefully tested for interactions of school level and their predictor variables. Ary and colleagues consistently found such interactions and Chassin and colleagues did not. Perhaps the interactions found by Ary *et al.* will not generalize from groups where prevalence and incidence are very low. Results concerning gender and ethnicity are also too few and too *inconsistent* for any firm *conclusions*. We urge investigators to report analyses by these variables in future research.

Most investigators used measures of hypothesized predictor variables of unknown validity and reliability or they used measures of known validity to assess exploratory predictors. Most of the studies reviewed here did not include factor analysis or other assessments of scale properties. The lack of factor analysis in this area of research has contributed to confusion regarding whether *reported variables* are assessing similar or different constructs.

It appears that the longitudinal studies examining predictors of smoking onset have been concentrated in the areas of education, psychology, public health, behavioral medicine, and substance abuse. To get a more comprehensive view of the factors that may influence cigarette smoking acquisition, we need to incorporate other perspectives and methodologies. For example, two studies examined the influence of advertising, with mixed results (Alexander *et al.*, 1981; Charlton & Blair, 1989). Econometric and marketing-type studies may add significant new information on how this important factor may influence onset. All the studies reviewed were quantitative in nature. Qualitative approaches may provide rich new insights into understanding how the predictors work. We suggest that the potential contributions from other types of studies be sought and incorporated into work in this area.

Conclusions

Though the 27 available *prospective* studies of predictors of the onset of cigarette smoking are far from perfect, we believe that this review has confirmed the importance of many well-accepted predictors and raised some questions about others. In particular, family smoking, bonding, and approval each received unexpectedly low support. It is not clear whether this lack of support reflects reality as it has always been, is due to a changing reality, reflects developmental changes, either in the age of *subjects* or the stage of *onset*, or is due to poor measurement and too *few* tests.

Four groups of constructs received highly consistent support. These were: (a) refusal skills; (b) intentions and other behaviors; (c) peer influences (use, approval and prevalence estimates); and (d) offers/availability. Of these, refusal skills had little empirical support from previous research but its theoretical derivation supports its importance. Other predictors for which consistently positive results were obtained *include* (e) peer and school bonding, and (f) knowledge, beliefs and attitudes toward smoking. A wide range of personality and self-esteem variables also received fairly consistent positive support, particularly (g) rebelliousness/risk-taking and independence, and (h) aggressiveness and shyness.

Future prospective studies need to be theory-driven, designed to support or disconfirm a theory or to test two or more theories against each other. They need to use measures of known reliability and validity, report analyses of scale properties, and use statistical methods appropriate to the hypotheses or theories under study. Finally, we encourage more investigations of the potentially different predictors of transitions to experimental or regular cigarette smoking. This will require multi-wave studies and careful measurement of changes in smoking behaviour (Miller *et al.*, 1992). Such multi-wave studies may consider the mediating effect of pharmacologic factors, the one domain in our previous model (Fig. 1) not examined here.

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NEW DATA SERIES—11

Severity of DSM-III-R alcohol dependence: United States, 1988

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Abstract

One method of subtyping alcohol dependence is according to severity. Over 4000 respondents in a US national survey who met criteria for DSM-III-R alcohol dependence were classified as mildly, moderately or severely dependent, and the characteristics of each group were examined. The proportion of males was higher in the moderate and severe groups, and the greatest proportions of cases were concentrated in the younger ages in all three groups. A clear increasing gradient from the mild to severe group was found for early age at first drink, heavy alcohol consumption, family history of alcohol problems, social pressure to reduce drinking, and help-seeking, treatment or AA for drinking. Implications for further analyses are discussed.

Introduction

A diagnosis of DSM-III-R alcohol dependence for a given individual certainly indicates that the individual is having a problem with alcohol. However, as has been noted,[1] the diagnosis identifies quite a heterogeneous group. To reduce heterogeneity, various methods of subtyping have been proposed. Among these methods, a relatively straightforward approach is to subtype according to severity level. This report provides information on the characteristics, personal and familial history associated with severity levels of DSM-III-R alcohol dependence in the US general population in 1988.

Methods

In 1988, the US National Center for Health Statistics conducted a nationwide survey that included an alcohol supplement sponsored by the National Institute on Alcohol Abuse and Alcoholism. Direct interviews in the National Health Interview Survey (NHIS) were conducted with 43 809 respondents aged 18 years and older, in all 50 states and the District of Columbia. The sample was derived through a complex multistage sampling design[2] that included oversampling for blacks. Due to the stratification and clustering involved in the sampling, standard errors of the estimates presented here were generated using SUDAAN[3] to employ Taylor series linearization to adjust for sample design characteristics. The prevalence and distribution among population subgroups of DSM-III-R alcohol dependence have been reported elsewhere.[4]

To be classified as alcohol dependent according to DSM-III-R criteria,[5] respondents needed to have met any three out of nine diagnostic criteria. The nine criteria and the items that covered each

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Presentation

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PLAINTIFF'S EXHIBIT

Plaintiff's Exhibit 1035
5-8-97
Date
WILLIAM C. LABORDE
REGISTERED PROF. REPORTER

Mr. C.A. Julien
RMRT
9/30/74

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1975 MARKETING PLANS PRESENTATION
HILTON HEAD
SEPTEMBER 30, 1974

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CHART #1
OBJECTIVE IN 1975

OUR PARAMOUNT MARKETING OBJECTIVE IN 1975 AND ENSUING YEARS IS TO REESTABLISH RJR'S SHARE OF MARKETING GROWTH IN THE DOMESTIC CIGARETTE INDUSTRY.

CHART #2
OPPORTUNITY AREAS

WE WILL SPEAK TO FOUR KEY OPPORTUNITY AREAS TO ACCOMPLISH THIS.

THEY ARE:

1- INCREASE OUR YOUNG ADULT FRANCHISE.
2- IMPROVE OUR METRO MARKET SHARE.
3- EXPLOIT THE POTENTIAL OF THE GROWING CIGARETTE CATEGORIES.
4- DEVELOP NEW BRANDS AND LINE EXTENSIONS WITH NEW PRODUCT BENEFITS OR NEW PERSONALITIES.

CHART #3
YOUNG POPULATION SKEW

FIRST, LET'S LOOK AT THE GROWING IMPORTANCE OF THE YOUNG ADULT IN THE CIGARETTE MARKET. IN 1960, THIS YOUNG ADULT MARKET, THE 14-24 AGE GROUP, REPRESENTED 21% OF THE POPULATION.

AS SEEN BY THIS CHART, THEY WILL REPRESENT 27% OF THE POPULATION IN 1975. THEY REPRESENT TOMORROW'S CIGARETTE BUSINESS. AS THIS 14-24 AGE GROUP MATURES, THEY WILL ACCOUNT FOR A KEY SHARE OF THE TOTAL CIGARETTE VOLUME -- FOR AT LEAST THE NEXT 25 YEARS.

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CHART #4
P.M. & B&W
SHARE BY AGE

CHART #5
P.M., B&W, & RJR
SHARE BY AGE

CHART #6
SHARE BY AGE
WINSTON & SALEM
VS.
MARLBORO & KOOL

HUMPHREY

BOTH PHILIP MORRIS AND BROWN & WILLIAMSON, AND PARTICULARLY THEIR FAST GROWING MAJOR BRANDS, MARLBORO AND KOOL, HAVE SHOWN UNUSUAL STRENGTH AMONG THESE YOUNGER SMOKERS. IN THE 14-24 AGE CATEGORY, PHILIP MORRIS HAS A 38% SHARE AND B&W A 21% SHARE. BOTH COMPANIES HAVE SIGNIFICANTLY LOWER SHARES IN THE REMAINING AGE CATEGORIES.

WITH STRONG YOUNG ADULT FRANCHISES AND HIGH CIGARETTE BRAND LOYALTIES, THIS SUGGESTS CONTINUED GROWTH FOR PHILIP MORRIS AND B&W AS THEIR SMOKERS MATURE.

IN SHARP CONTRAST, OUR COMPANY LINE SHOWS A PATTERN OF RELATIVELY EVEN STRENGTH AMONG ALL AGE GROUPS AND STRENGTH IN THE 25 AND OLDER CATEGORIES, WHERE WE EXCEED BOTH COMPETITORS.

OUR TWO MAJOR BRANDS, WINSTON AND SALEM, SHOW COMPARATIVE WEAKNESS AGAINST MARLBORO AND KOOL AMONG THESE YOUNGER SMOKERS. WINSTON IS AT 14% IN THE 14-24 AGE GROUP VERSUS MARLBORO AT 33%. SALEM IS AT 9% VERSUS KOOL AT 17%. AGAIN, OUR BRANDS SHOW COMPETITIVE STRENGTH IN THE 25 AND OLDER AGE GROUPS.

THIS SUGGESTS SLOW MARKET SHARE EROSION FOR US IN THE YEARS TO COME UNLESS THE SITUATION IS CORRECTED.

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CHART #7
STRATEGY

THUS, OUR STRATEGY BECOMES CLEAR FOR OUR ESTABLISHED BRANDS:

1- DIRECT ADVERTISING APPEAL TO THE YOUNGER SMOKERS WHILE
2- BEING TRUE TO THE BRAND'S BASIC PRODUCT ATTRIBUTES (E.G., TASTE FOR WINSTON, REFRESHMENT FOR SALEM) AND
3- WITHOUT ALIENATING THE BRAND'S CURRENT FRANCHISE.

CHART #8
NEW WINSTON AD CAMPAIGN

FOR WINSTON, WE'VE FOLLOWED THIS STRATEGY IN DEVELOPING THE NEW "CANDID" ADVERTISING CAMPAIGN WHICH BROKE SEPTEMBER 16. IT IS ESPECIALLY DESIGNE TO APPEAL TO YOUNG ADULTS WITH:

- SIMPLE STRAIGHTFORWARD COPY
- BELIEVABLE PEOPLE WITH CHARACTER
- STRONG PRODUCT SELL WITH REAL TASTE EMPHASIS

RESEARCH HAS SHOWN THAT AMONG YOUNG ADULTS, THE NEW WINSTON ADS GENERATE TWICE AS MUCH RECALL AS ANY PREVIOUS WINSTON CAMPAIGN AND ARE 40% MORE PERSUASIVE COMPARED TO THE MARLBORO CAMPAIGN.

CHART #9
SALEM IMPROVED AD CAMPAIGN

FOR SALEM, SIGNIFICANT IMPROVEMENTS HAVE BEEN MADE IN THE ADVERTISING, DESIGNED FOR MORE YOUNG ADULT APPEAL UNDER ITS GREENERY/REFRESHMENT THEME.

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CHART 10
SALEM BOX
- ADVERTISING

THESE INCLUDE:

- MORE TRUE-TO-LIFE YOUNG ADULT SITUATIONS.
- MORE DOMINANT MALE VISUALS.
- A GREATER SPIRIT OF FUN!
- GREATER USE OF WATER AS A REFRESHMENT SYMBOL.

RESEARCH HAS SHOWN THESE CHANGES HAVE MEASURABLY IMPROVED THE ADS IN TERMS OF:

- GREATER RECALL
- GREATER REFRESHMENT PLAYBACK
- MORE YOUNG ADULT APPEAL - TRIAL HAS INCREASED FROM 24% TO 31% IN THE UNDER 35 AGE GROUP FOR THE KING SIZE.

EFFORTS TO IDENTIFY AN EVEN STRONGER CAMPAIGN ARE BEING AGGRESSIVELY PURSUED BY TWO ADVERTISING AGENCIES AND AT LEAST ONE NEW CAMPAIGN IS ANTICIPATED TO BE MARKET TESTED IN EARLY 1975.

FURTHER YOUNG ADULT EMPHASIS IS BEING PLACED THROUGH THE SUCCESSFUL SALEM BOX "DENIM" CAMPAIGN. RESEARCH HAS SHOWN:

- SALEM BOX PROFILE IS YOUNGER WITH 57% OF USERS IN THE 18-34 AGE GROUP VERSUS 41% FOR SALEM KING.

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CHART #11
CAMEL FILTER
ADVERTISING

CAMEL FILTER CONTINUES TO SHOW VITALITY IN THE MARKET, GROWING ABOUT 50% FASTER THAN THE INDUSTRY - UNDER ITS CURRENT "HOT FOR EVERYBODY" CAMPAIGN.

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CHART #12

NEW PROGRAM

FOR CAMEL FILTER

- ADVERTISING AWARENESS HAS INCREASED AMONG PRIME PROSPECTS -- YOUNG ADULT MALES.
- FAVORABLE CONSUMER ATTITUDES TOWARD THE BRANDS HAVE INCREASED.
- THE BRAND HAS INCREASED ITS SHARE PENETRATION AMONG THE KEY 18-24 MALE AGE GROUP -- FROM 1.8 TO 2.1% -- A 16% INCREASE.

STARTING IN JULY 1974, A NEW MARKETING PROGRAM WAS PUT INTO TEST MARKET -- TARGETED AT YOUNG ADULTS AND DESIGNED TO BE EVEN MORE COMPETITIVE AGAINST MARLBORO IN TERMS OF:

- NEW "MEET THE TURK" ADVERTISING CAMPAIGN.
- NEW MARLBORO-LIKE BLEND IN THE PRODUCT.
- SIGNIFICANTLY INCREASED AD SPENDING.

ALSO A NEW PACKAGE DESIGN WITH STRONGER YOUNG ADULT MALE APPEAL IS BEING DEVELOPED AND WILL BE TESTED IN EARLY 1975.

WE RECOGNIZE "MEET THE TURK" HAS POTENTIAL PROBLEMS DUE TO THE GREEK-TURKISH WAR. A BACK-UP CAMPAIGN IS BEING DEVELOPED IN THE EVENT THIS BECOMES A SERIOUS PROBLEM.

CHART #13

VANTAGE

VANTAGE WITH ITS FAST GROWTH RATE COULD BE OUR WINSTON OF TOMORROW. UNLIKE THE TRADITIONAL PATTERN OF OTHER LOW TAR AND NICOTINE BRANDS, VANTAGE HAS SHOWN THE ABILITY TO ATTRACT:

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CHART #14

MEDIA

- SIGNIFICANT NUMBERS OF NORMAL FLAVOR FILTER SMOKERS. ALMOST 50% OF THE BRAND'S NEW BUSINESS COMES FROM NORMAL FLAVOR FILTER SMOKERS COMPARED TO ONLY 20% FOR OTHER LOW TAR AND NICOTINE BRANDS.
- NEW AND YOUNGER SMOKERS. FIELD SALES REPORTS VANTAGE HAS POCKETS OF STRENGTH ON COLLEGE CAMPUSES (E.G., IN THE BOOK STORE AT HARVARD SQUARE, VANTAGE IS AMONG THE TOP 10 SELLERS, 15TH NATIONALLY).

AD SPENDING HAS BEEN INCREASED IN 1975 WITH MORE TARGETED EFFORTS AGAINST YOUNG ADULTS TO MORE FULLY EXPLOIT THIS POTENTIAL.

WE HAVE ALSO INCREASED OUR MEDIA EFFORTS TOWARD YOUNG ADULTS FOR OUR BRANDS.

THESE INCLUDE:

- INCREASED ADVERTISING INSERTIONS IN TRADITIONAL YOUNG ADULT MAGAZINES LIKE SPORTS ILLUSTRATED, PLAYBOY AND MS.
- HAVE ADDED NEW YOUNG ADULT SPECIAL INTEREST MAGAZINES LIKE ROAD AND TRACK AND MOTORCYCLING.
- EXPANDED OUTDOOR WITH SELECTIVE LOCATIONS FOR MAXIMUM YOUNG ADULT EXPOSURE -- E.G., POSTERS IN GREENWICH VILLAGE AND IN AREAS WITH LARGE COLLEGE STUDENT POPULATIONS.

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CHART #15
SPECIAL EVENTS
WINSTON

EACH OF OUR MAJOR SPECIAL EVENTS IS DIRECTED AGAINST YOUNG ADULTS.

NASCAR, WITH WINSTON, REACHES 8 MILLION SPECTATORS WITH 63% OF THESE UNDER 35 YEARS OF AGE.

OUR PARTICIPATION TAKES 2 FORMS:

- THE WINSTON CUP/WINSTON WEST SERIES WITH 55 RACES PRIMARILY IN THE SOUTHEAST AND CALIFORNIA.
- THE MODIFIED SPORTSMAN WITH 60 RACES IN THE NORTHEAST AND MID-WEST.

THUS, NASCAR GIVES WINSTON NATIONAL COVERAGE.

IN RODEOS, WE PROMOTE WINSTON IN OVER 600 EVENTS REACHING 12 MILLION SPECTATORS WITH 57% UNDER 35 YEARS OF AGE -- IN THE MID-WEST AND WEST.

CHART #16
SPECIAL EVENTS
CAMEL FILTER

FOR CAMEL FILTER, WE HAVE DEVELOPED A NEW STRATEGY. WHILE CAMEL CANNOT MATCH THE MEDIA DOLLARS SPENT BY MARLBORO, THE BRAND WILL HAVE PINPOINTED EFFORTS AGAINST YOUNG ADULTS THROUGH ITS SPONSORSHIP OF SPORTS CAR RACING AND MOTORCYCLING. SPORTS CAR RACING REACHES 300,000 SPECTATORS -- 85% UNDER 35 YEARS OF AGE -- AND IS PRIMARILY ON THE EAST AND WEST COASTS.

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CHART #17

SPECIAL EVENTS PROMOTIONAL ACTIVITIES

MOTORCYCLING, A NEW SPECIAL EVENT SUCCESSFULLY TESTED IN 1974, WILL HAVE 26 RACES REACHING 400,000 SPECTATORS WITH AN ESTIMATED 90% UNDER 35 YEARS OF AGE. THIS EVENT WILL BE IN THE MAJOR POPULATION CENTERS SUCH AS CHICAGO, LOS ANGELES, SAN FRANCISCO, AND HOUSTON.

SINCE SPECIAL EVENTS ARE A RELATIVELY NEW AND DIFFERENT TYPE OF ACTIVITY FOR US, I WOULD LIKE TO REVIEW THE NATURE AND EXTENT OF OUR PROMOTIONAL ACTIVITIES IN THEM.

FIRST, WE HAVE HEAVY INVOLVEMENT AT THE EVENT SITE, PERMANENT BILLBOARD ADVERTISING, AND BRAND EXCLUSIVITY AT CONCESSION STANDS. WE SELL OUR BRANDED, EVENT-RELATED ITEMS, SUCH AS WINSTON HATS, SHIRTS, AND JACKETS. WE HAVE TIE-IN BANNERS AND PASTERS WITH STRONG BRAND IDENTIFICATIO AND BRAND COMMERCIALS OVER THE PUBLIC ADDRESS SYSTEMS.

WE HAVE STRONG PRESS OUTREACH THROUGH WIRE SERVICES, LOCAL PRESS AND SPECIAL INTEREST PUBLICATIONS.

FOR EXAMPLE, AT THE WINSTON WESTERN 500, THE RACE WITH HEAVY MENTION OF WINSTON WAS IN NEWSPAPERS HAVING A CIRCULATION OF 10 MILLION AND ON A 2-HOUR RADIO PROGRAM REACHING 30 MILLION PEOPLE.

OUR SALES FORCE WORKS RETAIL STORE TIE-INS TO THE EVENT WITH PRODUCT DISPLAYS AND PASTERS.

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OUR WINSTON #1 AND CAMEL FILTER GT CARS ARE DISPLAYED IN SHOPPING CENTERS IN MAJOR MARKETS. THE WINSTON #1 CAR HAS RECEIVED OUTSTANDING ACCEPTANCE RECENTLY ON THE STREETS OF NEW YORK.

LASTLY, WE USE NEWSPAPER AND PROGRAM ADVERTISING FOR IMAGE ASSOCIATION BETWEEN THE BRAND AND THE SPORT.

YOU MIGHT LOGICALLY ASK "WHAT DOES ALL OF THIS MEAN IN TERMS OF SALES?" OUR RESEARCH INDICATES THAT AMONG RACING FANS, WINSTON'S SHARE OF SMOKERS IS 67% GREATER THAN AMONG NON-RACING FANS. AMONG RODEO FANS, WINSTON'S SHARE OF SMOKERS IS 50% GREATER THAN AMONG NON-RODEO FANS. WHILE WE DON'T HAVE DIRECTLY COMPARABLE DATA FOR OUR NEWER CAMEL FILTER SPECIAL EVENTS, OUR RESEARCH INDICATES A DRAMATIC INCREASE IN PURCHASE RATE AMONG FANS ATTENDING.

OTHER PROGRAMS HAVE BEEN DEVELOPED TO REACH YOUNG ADULTS WHERE THEY WORK, PLAY AND WHERE THEY PURCHASE THEIR CIGARETTES. FREE-ON-PACKAGE TRIAL INDUCEMENT PROMOTIONS ARE BEING USED IN HIGH TRAFFIC, YOUNG ADULT PACKAGE OUTLETS SUCH AS CONVENIENCE STORES. SEVEN MILLION TRIAL UNITS WILL BE SOLD IN 1975. WE WILL HAVE PERMANENT COUNTER DISPLAYS IN 35,000 OUTLETS CATERING TO YOUNG ADULT PACKAGE PURCHASES.

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FINALLY, SUCCESSIVE WAVES OF COUPONING WILL BE TESTED IN 1975. BY WAY OF EXPLANATION, WE WILL SELECT A SPECIFIC MARKET OF YOUNG ADULTS. THESE PEOPLE WILL BE GIVEN SUCCESSIVE WAVES OF COUPONS GOOD FOR A SUBSTANTIAL PRICE REDUCTION ON A CARTON PURCHASE. WE WILL THEN TRACK THIS GROUP TO DETERMINE THE AMOUNT OF SWITCHING TO OUR BRAND. THE STRATEGY HERE IS TO TAKE THESE CONSUMERS "OFF THE MARKET" FOR THEIR REGULAR BRAND LONG ENOUGH TO CONVERT THEM.

OUR SPECIAL MERCHANDISING DIVISION IS IN ITS SECOND YEAR WITH ITS SUCCESSFUL WHOLESALE OPERATION OF PREMIUMS AT BEACHES AND SPECIAL EVENTS THROUGH A SEPARATE SALES FORCE AND A MOBILE STORE. WE ANTICIPATE SELLING OVER A MILLION ITEMS IN 1975 -- A MILLION "WALKING BILLBOARDS" FOR OUR BRANDS.

WE WILL CONTINUE OUR SPECIAL SAMPLING PROGRAMS ON BEACHES, RESORT AREAS AND SPORTS ARENAS IN MAJOR METRO MARKETS -- WHERE THERE ARE LARGE CONGREGATIONS OF YOUNG ADULTS.

RESEARCH WILL BE DONE IN 1975 TO DETERMINE EFFECTIVENESS OF SAMPLING 4's, 10's, PACKS, AND MULTIPLE PACKS.

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CHART #18
KEY OPPORTUNITY
MAJOR METRO

ANOTHER OPPORTUNITY IS IN MAJOR METROPOLITAN AREAS.

CHART #19
RJR OPERATION METRO
MAJOR MARKET TREND
SHARE

THIS CHART SHOWS OUR TOTAL COMPANY PERFORMANCE BY CITY SIZE. THE CITIES LISTED ON THE BOTTOM OF THE CHART ARE IN DESCENDING ORDER OF POPULATION -- STARTING WITH NEW YORK, LOS ANGELES AND CHICAGO, AND ENDING WITH ALBUQUERQUE AND SAN DIEGO. THE STRAIGHT DOTTED LINE IS OUR AVERAGE SHARE OF MARKET IN THE TOTAL U.S. THE RED LINE SHOWS OUR ACTUAL SHARE OF MARKET FOR EACH CITY VERSUS OUR AVERAGE U.S. SHARE; THAT IS, OUR SHARE IN NEW YORK, LOS ANGELES, AND CHICAGO, IS MUCH BELOW AVERAGE AND OUR SHARE IN THE SMALLER CITIES IS ABOVE AVERAGE. THE SOLID BLACK LINE SHOWS THAT, AS THE SIZE OF CITIES DECREASES, OUR TOTAL RJR SHARE OF MARKET INCREASES.

CHART #20
POPULATION
CONCENTRATION

THE TREND IS OF SPECIAL INTEREST TO US. BY THE YEAR 2000, SOME 70% OF THE PEOPLE IN THE UNITED STATES WILL LIVE IN ONLY 12 URBAN CENTERS, WITH HALF OF THE POPULATION CONCENTRATED IN 3 CENTERS.

CHART #21
% U.S. INDUSTRY

LOOKING AT THE THREE LARGEST METROPOLITAN AREAS -- NEW YORK, CHICAGO, AND LOS ANGELES, WE FIND THAT OUR VOLUME IS WELL BELOW THAT OF THE INDUSTRY (16.2% INDUSTRY VS. 12.0% RJR). AND, IF NEW YORK,

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CHART #22
METRO ORGANIZATION

CHART #23
METRO ACTION PROGRAMS

CHICAGO, AND LOS ANGELES ARE REMOVED FROM RJR VOLUME, THEN OUR NATIONAL SHARE WOULD BE 33.5% RATHER THAN THE CURRENT 32.0%.

IN ORDER TO TAKE ADVANTAGE OF THIS BUSINESS BUILDING OPPORTUNITY, WE HAVE ESTABLISHED A MAJOR METROPOLITAN PROJECT. ITS PURPOSE IS TO IMPROVE OUR SHARE OF MARKET IN METROPOLITAN AREAS WHERE WE HAVE BEEN TRADITIONALLY WEAK.

ORGANIZATIONALLY, WE HAVE ESTABLISHED MARKETING DEVELOPMENT MANAGERS FOR NEW YORK, CHICAGO, AND LOS ANGELES. THESE MANAGERS ARE RESPONSIBLE FOR MARKETING PLANS ON ALL OUR BRANDS IN THEIR ASSIGNED METRO AREAS.

THE MARKETING DEVELOPMENT MANAGER CONCEPT BECAME A REALITY IN JULY OF THIS YEAR AND, TO DATE, WE HAVE SEEN SOME MOST ENCOURAGING PROGRAMS.

WE HAVE SUBSTANTIALLY INCREASED OUR VENDING DISTRIBUTION THROUGH THE ESTABLISHMENT OF AREA VENDING MANAGERS WHO ARE RESPONSIBLE FOR AND PAY CLOSE ATTENTION TO VENDING. WE HAVE IMPLEMENTED THE SALESMAN "RIDE WITH VENDOR" PROGRAM TIED TO BONUS PLACEMENT PAYMENTS ON SALEM SUPER AND VANTAGE. THESE PROGRAMS HAVE BEEN MOST SUCCESSFUL. WITH VANTAGE, WE HAVE INCREASED VENDING DISTRIBUTION FROM 38% TO 55% OF THE MACHINES PLACED OR COMMITTED.

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TO FURTHER INCREASE OUR VENDING DISTRIBUTION, WE WILL BE WORKING WITH THE TRU-CHECK COMPUTER SYSTEM IN 1975. TRU-CHECK IS AN ORGANIZATION THAT PROVIDES COMPUTER PRINT-OUTS ON BRAND PLACEMENTS IN VENDING MACHINES -- A LABORIOUS MANUAL PROBLEM FOR VENDORS. THIS COMPUTER SERVICE PROVIDES THE VENDOR WITH SUBSTANTIATION FOR RECEIVING PAYMENTS FROM CIGARETTE MANUFACTURERS. TRU-CHECK'S SERVICE IS NATIONAL (210,000 VENDING MACHINES), BUT THEIR STRENGTH IS IN THE NORTHEAST WHERE OUR VENDING DISTRIBUTION TRADITIONALLY HAS BEEN WEAK.

WITH TRU-CHECK, WE CAN LOCK A MINIMUM OF SEVEN OF OUR BRANDS INTO VENDORS' MACHINES, INCREASING OUR DISTRIBUTION, AND PREVENTING OUR COMPETITORS FROM REMOVING OUR BRANDS WITH THEIR VENDING OFFERS.

CURRENTLY, WE HAVE AN AVERAGE OF 5 BRANDS IN THE MACHINES TRU-CHECK SERVICES. THEREFORE, WE WILL IMMEDIATELY PICK UP APPROXIMATELY 2 BRANDS IN EACH OF THE 210,000 MACHINES.

WITH OUR VENDING MANAGER'S INVOLVEMENT, WE FEEL WE CAN INCREASE THE NUMBER OF VENDING MACHINES FROM 210,000 TO 310,000 -- WITH ADDITIONAL PLACEMENTS FOR US.

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CHART #24
METRO ACTION PROGRAMS

CHART #25
INCREASED MEDIA SPENDING--METRO

LOCALIZED PROMOTIONS

WE HAVE DEVELOPED CUSTOMIZED LOCAL PROMOTIONS INCLUDING A PUERTO RICAN SWEEPSTAKES, HARLEM BASKETBALL TEAM SPONSORSHIP AND A FLOAT IN THE AFRO/AMERICAN DAY PARADE -- ALL IN NEW YORK CITY!

IN LOS ANGELES, WE ARE INVOLVED IN THE SPONSORSHIP OF A BEACH VOLLEYBALL LEAGUE AND THE WATTS SUMMER FESTIVAL CONCERT.

WITH A SHELF DISPLAY PAYMENT TO THE HIGH VOLUME NON-SELF-SERVICE STORES, OUR BRANDS ARE NOW ON DISPLAY TO CONSUMERS. THIS FURTHER FACILITATES AN EFFICIENT REORDERING SYSTEM AT STORE LEVEL, THUS REDUCING OUT OF STOCKS. WE ANTICIPATE EXPANDING THIS PROGRAM TO 10,000 RETAIL OUTLETS IN 1975.

AND LAST, BUT NOT LEAST, WE'VE JUST PUT UP OUR WINSTON "SUPER WALL" DISPLAY -- A GIGANTIC PAINTED WALL ABOUT THE SIZE OF A HALF-ACRE ON AN 8TH AVENUE BUILDING IN NEW YORK CITY. IT MAY WELL BE THE LARGEST PAINTED SIGN IN THE WORLD!

IN 1975, WE HAVE INCREASED OUR MEDIA SPENDING IN THE MAJOR METRO AREAS -- BY 9% FOR WINSTON, 24% FOR SALEM AND 33% FOR VANTAGE.

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CHART #26
METRO MEDIA SPENDING
RJR VS. COMPETITION

ASSUMING COMPETITION SPENDS THE SAME PERCENT OF THEIR BUDGET IN THESE MAJOR METRO MARKETS IN 1975 AS IN 1974, WE WILL CONTINUE TO OUT-SPEND THEM. WINSTON AT $8.2 MILLION VERSUS $6.7 MILLION FOR MARLBORO; $7.4 MILLION FOR SALEM VERSUS $5.2 MILLION FOR KOOL; AND $2.5 MILLION FOR VANTAGE VERSUS $2.3 MILLION FOR TRUE.

FURTHER, WE ARE CONDUCTING BLIND PRODUCT TESTS TO DETERMINE IF THE CONSUMER TASTE PREFERENCES FOR CIGARETTES DIFFER IN MAJOR METRO AREAS, WHERE WE HAVE TRADITIONALLY BEEN WEAK. TEST RESULTS WILL BE AVAILABLE IN DECEMBER OF THIS YEAR.

THE RESULTS ACHIEVED IN OUR METRO MARKET EFFORTS TO DATE INDICATE CLEARLY THAT OUR MARKETING EFFORTS MUST BE CUSTOMIZED AND LOCALIZED TO MEET THE REQUIREMENTS OF THE INDIVIDUAL MARKETS AND THE CIGARETTE PREFERENCES OF THE CONSUMERS IN THOSE MARKETS.

ADDITIONALLY, THIS REQUIRES US TO GIVE LOCAL FIELD SALES MANAGEMENT BOTH RESPONSIBILITY AND FLEXIBILITY IN DEVELOPING THESE PROGRAMS. OUR 1975 PLANS RECOGNIZE THESE REQUIREMENTS.

CHART #27
KEY OPPORTUNITY
GROWTH CATEGORIES

ANOTHER KEY OPPORTUNITY TO INCREASE OUR SHARE IS TO EXPLOIT THE POTENTIAL OF GROWING CIGARETTE CATEGORIES -- NAMELY, THE 100MM'S, LOW "TAR" AND NICOTINE CIGARETTES AND THE BOX PACKAGE STYLES.

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CHART #28
WINSTON SUPER KING

CHART #29
SALEM SUPER KING

THE 100MM'S ARE UP 9% IN VOLUME IN 1974 OVER 1973 HAVING ACCOUNTED FOR ALMOST ONE-FOURTH OF ALL CIGARETTES SOLD AFTER ONLY 7 YEARS ON THE MARKET.

NOW THAT WE HAVE A NEW CAMPAIGN FOR WINSTON, SPECIAL ADS FOR THE WINSTON SUPER KING SIZE HAVE BEEN DEVELOPED. A HIGHER QUALITY PACKAGE HAS ALSO BEEN DEVELOPED AND WILL BE TESTED. AS YOU KNOW, THE MENTHOL VERSION HAS BEEN REINTRODUCED WITH A NEW PACKAGE, NEW BLEND, AND NEW ADVERTISING.

FOR SALEM SUPER KING WE HAVE JUST INTRODUCED A NEW ADVERTISING CAMPAIGN IN WOMEN'S MAGAZINES. THE CAMPAIGN TIES IN STYLISH EXTRA LENGTH WITH PROVEN HIGH INTEREST FASHION APPEAL AND ENDORSED BY BIG NAME DESIGNERS SUCH AS BILL BLASS, RALPH LAUREN, AND CALVIN KLEIN. THE CAMPAIGN THEME IS "FOR MORE OF A WOMAN, MORE OF A SALEM."

ROSE WELLS, OUR FASHION CONSULTANT, HAS DONE A TREMENDOUS JOB. SHE HAS EXTENDED THE FASHION TIE-IN TO RETAIL STORES AND CONSUMERS. AT SOME 50 FASHION SHOWS WITH BIG NAME DESIGNERS, SALEM FASHION ADS ARE PROMINENTLY DISPLAYED. FASHION EDITORS ARE CONTACTED AND PRODUCT IS SAMPLED.

ALSO, SHE EXPECTS TO ARRANGE SOME 50 WINDOW/IN-STORE DISPLAYS FEATURING THE SALEM ADS WITH FASHIONS. ALREADY SHE HAS HAD DISPLAYS IN BLOOMINGDALE'S,

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CHART #30
LOW "TAR"/NICOTINE

FILENE'S, I. MAGNIN, AND OTHER TOP DEPARTMENT STORES.

THE FASTEST GROWING CATEGORY IS LOW "TAR"/NICOTINE CIGARETTES. WE HAVE ALMOST A THIRD OF THAT CATEGORY AND WE WANT MORE.

FOR VANTAGE, WE ARE CONTINUING A MOST SUCCESSFUL AD CAMPAIGN AND AS WE'VE MENTIONED BEFORE, WE'VE INCREASED MEDIA SPENDING. ALSO, WE'VE ADDED A HEAVY DIRECT MAIL COUPON PROGRAM IN THE TOP URBAN MARKETS IN '75.

FOR DORAL, TWO NEW BACK-UP CAMPAIGNS ARE BEING TESTED, POSITIONING THE BRAND MORE SHARPLY AS A LOW "TAR" AND NICOTIRE CIGARETTE. A NEW BLEND WITH LOWER "TAR" AND NICOTINE TO FIT THIS STRATEGY IS ALSO BEING TESTED.

FOR WINSTON LIGHTS, SEPARATE ADS ARE BEING DEVELOPED UNDER THE NEW "CANDID" THEME FOR PLACEMENT IN MEDIA AIMED AT HIGH POTENTIAL AUDIENCES, FEMALE AND URBAN, AND BACKED UP BY HEAVY SAMPLING IN THE MAJOR METRO MARKETS.

ANOTHER GROWTH CATEGORY IS THE BOX STYLE -- UP 10% FROM 1973 TO 1974 AND PRESENTLY DOMINATED BY MARLBORO. YOU ARE FAMILIAR WITH THE WINSTON AND SALEM BOX MARKETING PROGRAMS. BOTH ARE INCREASING THEIR SHARE OF THE BOX MARKET.

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CHART #31
KEY GROWTH
OPPORTUNITIES

IN ADDITION, A CAMEL FILTER BOX WILL BE TEST MARKETED IN 1975.

(PAUSE)

TO BETTER COMPETE WITH MARLBORO AND KOOL IN THE KING SIZE CATEGORY, WE ARE PRESENTLY BLIND TESTING REVISED/IMPROVED BLENDS. FOR WINSTON KING THIS WILL BE A HIGHER pH FACTOR LIKE THAT FOUND IN MARLBORO AND FOR SALEM, HIGHER pH AND POSSIBLY SLIGHTLY HIGHER MENTHOL LEVEL. THESE REVISED BLENDS WILL HAVE TO BE ACCEPTABLE TO OUR CURRENT FRANCHISE AS WELL AS BE MORE COMPETITIVE.

(PAUSE)

AS YOU KNOW, THE REGULAR NON-FILTER CATEGORY CONTINUES TO DECLINE SHARPLY. WITH CAMEL REGULAR HAVING INCREASED ITS SHARE OF THE CATEGORY TO 64%, ITS ADVERTISING HAS BEEN DISCONTINUED WITH THOSE MONIES REALLOCATED TO GROWING BRANDS IN GROWING CATEGORIES.

WE HAVE REVIEWED THE NEW AND IMPROVED PROGRAMS FOR OUR ESTABLISHED CIGARETTE BRANDS DESIGNED TO:

- INCREASE OUR YOUNG ADULT FRANCHISE.
- IMPROVE OUR METRO MARKET SHARE, AND
- EXPLOIT THE POTENTIAL OF GROWING CIGARETTE CATEGORIES.

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CHART #32
KEY OPPORTUNITY
NEW BRANDS

CHART #33
NEW BRANDS

CERTAINLY, THOUGH, WE DON'T EXPECT THESE PROGRAMS TO BE AN "OVERNIGHT" PANACEA AGAINST MARLBORO AND KOOL, WHICH HAVE ACCOUNTED FOR 93% OF INDUSTRY GROWTH IN THE LAST 5 YEARS.

NEW BRANDS AND/OR LINE EXTENSIONS WITH NEW BENEFITS OR NEW PERSONALITIES AND WITH DIRECTED APPEAL TO YOUNGER SMOKERS OFFER THE QUICKEST OPPORTUNITY TO COMBAT MARLBORO AND KOOL.

THREE NEW BRANDS BEING TESTED IN 1974-1975 SPEAK DIRECTLY TO THIS OPPORTUNITY. THEY ARE:

1. SALEM EXTRA - A HIGH MENTHOL LINE EXTENSION AIMED AT KOOL.

2. WINCHESTER CIGARETTES - AN 85MM FILTER AND MENTHOL, POSITIONED TO CAPITALIZE ON THE YOUNG APPEAL OF THE WINCHESTER EQUITY -- AIMED AT MARLBORO AND KOOL -- AND

3. MORE - A 120MM FILTER AND MENTHOL VERSION -- A NEW CONCEPT, A NEW CATEGORY IN SMOKING, AIMED AT MALE SMOKERS AND AGAINST MARLBORO AND KOOL.

YOU ARE FAMILIAR WITH THE TEST MARKET PROGRAMS FOR SALEM EXTRA AND WINCHESTER.

"MORE" IS PRESENTLY BEING TESTED ONLY IN OKLAHOMA CITY TO GET INITIAL PRODUCT REACTION. EXPANSION TO OTHER TEST MARKETS IS PLANNED FOR EARLY NEXT YEAR

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CHART #34
ADDITIONAL NEW PRODUCTS

WITH THE MENTHOL VERSION BEING TESTED ALONE IN ONE O THESE MARKETS.

ADDITIONAL NEW PRODUCT PROJECTS ARE IN VARIOUS STAGE OF DEVELOPMENT. THESE INCLUDE A 100MM CIGARETTE WIT QUALITY PACKAGE AND IMAGE APPEAL TO INCREASING AFFLUENCY, CAPITALIZING ON THE GROWING 100MM CATEGOR

A FEMALE CIGARETTE IN REGULAR AND MENTHOL 100MM STYL IS BEING DEVELOPED TO GIVE THE COMPANY AN ENTRY IN THE GROWING CIGARETTE MARKET FOR WOMEN.

THE 120MM "MORE" PRODUCT IN A WHITE PAPER WRAP IS AN ALTERNATIVE.

ANOTHER NEW BRAND OPPORTUNITY IS A CIGARETTE WHICH GIVES COOLNESS WITHOUT THE TASTE OF MENTHOL. MANY SMOKERS HAVE EXPRESSED A DESIRE FOR COOLNESS BUT DISLIKE THE MEDICINAL TASTE OF MENTHOL. THIS PROJEC PROVIDES AN OPPORTUNITY TO EXPAND THE GROWING MENTHO CATEGORY IN A UNIQUE WAY.

ALSO, OUR TOBACCO DEVELOPMENT PEOPLE ARE WORKING ON A UNIQUE FILTER WHICH DELIVERS LOW "TAR" AND NICOTIN WITH GOOD FLAVOR. THIS FILTER PROVIDES AN OPPORTUNI TO REPLACE OUR CURRENT FILTERS ON OUR ESTABLISHED BRANDS, IF DEEMED NECESSARY. 50142 1329

LASTLY, WE ARE WORKING ON A CIGARETTE IN WHICH 95% T 98% OF THE NICOTINE HAS BEEN REMOVED FROM THE TOBACC AND SMOKE. THE MARKET FOR A NEW CATEGORY OF NICOTIN FREE CIGARETTES COULD BE DEVELOPED IN THE SAME MANNE THAT SANKA DEVELOPED THE DECAFFEINATED COFFEE MARKET

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CHART #35
NON-BUDGETED
OPPORTUNITIES

THIS COMPLETES OUR SUMMARY OF ACTIVITIES PLANNED FOR OUR CIGARETTE BRANDS. HOWEVER, BEFORE GOING ON, I WOULD LIKE TO DISCUSS OUR PLANS FOR A NEW SMOKING PRODUCT.

THE IMPORT CATEGORY IS THE ONLY SEGMENT OF THE SMOKING TOBACCO BUSINESS SHOWING VITALITY. TO CAPITALIZE ON THIS OPPORTUNITY, A RJR IMPORT PIPE TOBACCO - ZÜR WAS INTRODUCED IN TEST MARKETS THIS MONTH. THESE TEST MARKETS ARE:

DAYTON, OHIO
DES MOINES, IOWA
ROCHESTER, NEW YORK
ALBANY, NEW YORK.

ASSUMING FAVORABLE TEST RESULTS, ZÜR WILL BE EXPANDED NATIONALLY IN SEPTEMBER OF 1975.

OTHER RJR SMOKING TOBACCOS AND OUR CHEWING BRANDS WILL RECEIVE ONLY LIMITED MEDIA SUPPORT AS WE HAVE FOUND THAT THE MOST EFFECTIVE MEANS OF PROMOTING THESE BRANDS IS THROUGH OUR SALES FORCE IMPLEMENTED PROMOTIONS.

NEW OPPORTUNITIES NOT BUDGETED

IN ADDITION TO THE NEW PRODUCT OPPORTUNITIES JUST DISCUSSED, THERE ARE OTHER GROWTH OPPORTUNITIES BEING DEVELOPED. THEY ARE:

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1. TOBACCO PRODUCTS DIVISION (NON-CIGARETTE)
2. FUTURE DISTRIBUTION OPPORTUNITIES
3. AUTOMATED CHECK-OUT -- RETAIL STORES

TOBACCO PRODUCTS DIVISION (NON-CIGARETTE)

AN OPPORTUNITY EXISTS FOR THE ESTABLISHMENT OF A TOBACCO PRODUCTS MARKETING DIVISION THAT WOULD ENCOMPASS THE OPERATIONS OF EXISTING RJR SMOKING, CHEWING AND LITTLE CIGAR BRANDS.

THIS DIVISION WOULD UTILIZE ALL SERVICE FUNCTIONS OF THE COMPANY (MANUFACTURING, PURCHASING, FINANCE, ETC.) AND THUS WOULD BE FREE TO CONCENTRATE ON NON-CIGARETTE TOBACCO MARKETING OPPORTUNITIES. IN 1975, THESE OPERATIONS ARE FORECASTED TO ACCOUNT FOR APPROXIMATELY $57 MILLION IN NET SALES AND RETURN ABOUT $11 MILLION IN OPERATING PROFIT BEFORE TAXES.

THE PURPOSE OF A SEPARATE DIVISION WOULD BE TO DIRECT ATTENTION TO THE SINGULAR MARKETING PROBLEMS AND OPPORTUNITIES REPRESENTED BY RJR'S NON-CIGARETTE TOBACCO PRODUCTS (INCLUDING RJR PRODUCTS MANUFACTURED BY OUR SUBSIDIARIES THAT HAVE SALES POTENTIAL IN THE U.S.). A SEPARATE MARKETING DIVISION WOULD ELIMINATE THE PRESSURES OF CIGARETTE MARKETING NEEDS AGAINST OUR NON-CIGARETTE PRODUCTS AND WOULD CONSOLIDATE THE FINANCIAL CONTRIBUTION OF THESE NON-CIGARETTE BRANDS AGAINST SPECIFIC MARKETING PROGRAMS AND AGAINST PERTINENT PROFIT GOALS.

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FUTURE DISTRIBUTION OPPORTUNITIES

IN RECENT YEARS, A NUMBER OF SMALLER DISTRIBUTORS HAVE EITHER CURTAILED OR LIQUIDATED THEIR OPERATIONS. IT IS FELT THAT THIS TREND WILL CONTINUE. WHEN THIS OCCURS, IT LEAVES THE CIGARETTE MANUFACTURER WITH A DISTRIBUTION GAP.

ACCORDINGLY, WE HAVE TOTALLY REVIEWED OUR OPERATIONS IN PUERTO RICO WHERE WE DO OUR OWN DISTRIBUTING AND HAVE TAKEN THE FOLLOWING STEPS TO EXPAND THIS PROGRAM:

1. WE WILL MOVE INTO HAWAII WITH OUR OWN OPERATIONS IN EARLY 1975 - BECAUSE OF A LACK OF SERVICE AND DISTRIBUTION FACILITIES THERE NOW.
2. MANHATTAN - WE ARE ADDING SEVEN MEN TO PROVIDE EVERY-OTHER-WEEK COVERAGE AND TO ASSURE FULL-LINE DISTRIBUTION.
3. RESORT AREAS (EAST AND WEST COAST) - COMPANY CREWS (PART TIME HELP) WILL BLITZ THESE AREAS WEEKLY DURING THE SEASON. IN A TEST IN '74 $150,000 OF PRODUCT WAS SOLD IN A 12-DAY PERIOD AT MYRTLE BEACH.
4. TOURIST ROUTES (I-95) EVERY-OTHER-WEEK COVERAGE OF HIGH VOLUME OUTLETS -- AGAIN TO PROVIDE FULL-LINE DISTRIBUTION.

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AUTOMATED CHECK-OUT -- RETAIL STORES

THE GROCERY TRADE IS AGGRESSIVELY PURSUING THE OBJECTIVE OF AUTOMATED CHECK-OUTS. THE DRUG TRADE IS EXPECTED TO FOLLOW CLOSELY. BY THE LATE 70'S THESE AUTOMATED CHECK-OUTS WILL BE OPERATIVE IN SUFFICIENT NUMBERS TO HAVE A PROFOUND AFFECT ON THE MARKETING OF CONSUMER PRODUCTS. THE IMPORTANCE TO RJR IS EXEMPLIFIED BY THE FACT THAT GROCERY STORES ALONE ACCOUNT FOR NEARLY ONE-HALF OF ALL CIGARETTES SOLD TODAY.

RJR HAS BEEN DEEPLY INVOLVED IN THIS ACTIVITY FOR THE PAST YEAR - AND CURRENTLY DISPLAYS THE UNIVERSAL PRODUCT CODE ON ALL CARTONS - THE FIRST CIGARETTE COMPANY TO DO SO. ON-GOING STUDIES ARE CONSIDERING THE IMPLICATION OF THE AUTOMATED CHECK-OUT AS IT RELATES TO THE HIRING AND TRAINING OF OUR FIELD SALES FORCE. SALES COVERAGE, COMPUTER TO COMPUTER ORDERING AND INVENTORY CONTROL, AND CIGARETTE PROFITABILITY AT RETAIL.

MOST IMPORTANT, HOWEVER, ARE THE IMPLICATIONS FOR CIGARETTE MERCHANDISING. THE AUTOMATED CHECK-OUT PROBABLY WILL MEAN THE REMOVAL OF ALL CIGARETTES FROM THE CHECK-OUT AREA. THUS, WE WILL HAVE TO DEVISE NEW METHODS FOR MERCHANDISING PACKAGED CIGARETTES IN THESE IMPORTANT OUTLETS. THE MAIN THRUST OF OUR EFFORT WILL BE IN THIS AREA.

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BUDGET CHART

NOW LET US LOOK AT OUR 1975 ADVERTISING AND PROMOTION BUDGET. WE HAVE BUDGETED $143.1MM TO COVER 1975 MARKETING PROGRAMS. THIS IS AN INCREASE OF $13.2MM OR 10.2% OVER THE 1974 BUDGET OF $129.9MM.

IN PREPARING THE BUDGET FOR 1975, WE WERE FACED WITH INFLATIONARY INCREASES OF FROM 8 TO 10 PERCENT IN THE COST OF ADVERTISING SPACE AND PROMOTION MATERIALS.

FACED WITH THESE COST PRESSURES, WE WERE ABLE TO HOLD THE OVERALL BUDGET INCREASE TO 10 PERCENT AND YET STILL PROVIDE $14.7 MILLION FOR THE NATIONAL INTRODUCTION OF ONE NEW CIGARETTE BRAND, $5.8 MILLION FOR NEW CIGARETTES BRAND TESTING (INCLUDING MORE AND UP TO FOUR OTHER NEW BRANDS), AND $600,000 FOR THE NATIONAL INTRODUCTION OF ONE NEW PIPE TOBACCO BRAND.

IN REVIEWING THE CHANGES IN SPENDING ON OUR EXISTING CIGARETTE BRANDS:

-- THE WINSTON BUDGET IS REDUCED $2.6MM DUE TO 1974 BEING AN UNUSUALLY HEAVY SPENDING YEAR IN WHICH WE INTRODUCE A NEW NATIONAL AD CAMPAIGN.

-- THE SALEM BUDGET, WHILE REDUCED BY $300,000, STILL PROVIDES FOR THE NATIONAL INTRODUCTION OF SALEM EXTRA IF TEST MARKET IS SUCCESSFUL.

-- THE REDUCTION OF $800,000 IN THE CAMEL BUDGET REFLECTS OUR DECISION TO DISCONTINUE MEDIA SUPPORT OF THE CAMEL REGULAR BRAND EXCEPT FOR A SMALL TEST IN FIVE AREAS OF THE COUNTRY.

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-- DORAL WILL SPEND THE SAME IN 1975 AS IN 1974.

-- VANTAGE IS THE ONLY EXISTING CIGARETTE BRAND SHOWING A BUDGET INCREASE. THE $2.8 MILLION INCREASE ENABLES VANTAGE TO MAINTAIN ITS SECOND-HALF 1974 MEDIA SPENDING RATE.

-- WE PLAN TO WITHDRAW ALL SUPPORT OF WINCHESTER CIGARS AFTER THE FIRST QUARTER OF 1975 ASSUMING WINCHESTER CIGARETTES GO NATIONAL. MEDIA SUPPORT WAS DISCONTINUED IN JULY OF THIS YEAR. THIS MOVE REDUCES THE BUDGET BY $3.6MM.

AS YOU CAN SEE, THE MAJOR EMPHASIS IN OUR 1975 BUDGET IS IN THE NEW CIGARETTE BRAND AREA (BOTH TESTING AND ACHIEVING NATIONAL DISTRIBUTION).

WE FULLY RECOGNIZE THAT WE ARE PROPOSING A VERY AMBITIOUS MARKETING PROGRAM, PARTICULARLY IN THE NEW PRODUCT AREA. BUT IT IS EQUALLY EVIDENT THAT SUCCESSFUL NEW PRODUCTS ARE KEY TO THE FUTURE GROWTH OF R. J. REYNOLDS TOBACCO COMPANY.

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MARKETING OBJECTIVE

1975

RE-ESTABLISH OUR SHARE OF MARKET

GROWTH

IN THE DOMESTIC CIGARETTE INDUSTRY

RJM 067322

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KEY OPPORTUNITY AREAS FOR GROWTH

1. INCREASE OUR YOUNG ADULT FRANCHISE.
2. IMPROVE OUR METRO MARKET SHARE.
3. EXPLOIT THE POTENTIAL OF THE GROWING CIGARETTE CATEGORIES.
4. DEVELOP NEW BRANDS AND LINE EXTENSIONS.

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PERCENT OF POPULATION
BY AGE

AGE GROUP	1975	19	21	33
14-24	27			
25-34				
35-49				
50+				

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SHARE OF SMOKERS

BY AGE

1974

	14-24	25-34	35-49	50+
	38%	24	17	14
	21%	14	15	15

E. MORRIS

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RJR
SECRET
No. 209 By

October 15, 1987

To: Emily C. Hatch
Ann E. Biswell

Re: Project LF Potential Year 1 Marketing Strategy

As discussed, the Brand will explore introducing Project LF in 13 priority regions rather than a traditional national launch as is currently planned for January 1989.

Project LF is a wider circumference non-menthol cigarette targeted at younger adult male smoker (primarily 13-24 year old male Marlboro smokers). This product is also being explored as a CAMEL line extension and will be evaluated (new brand vs. line extension) following receipt of TPT test results which will be received for both products early next year. Ultimately, this decision will be based on the relative potential profitability of these propositions.

Attached, please find a list of RJR sales regions with Marlboro, WINSTON and CAMEL BDI's segmented as priority and remaining markets. The Brand will work with Financial Services - Marketing to project/compare the relative profitability of a regional launch versus a national launch for LF. We will need to provide the following information to Financial Services in order to complete this analysis.

- Spending levels - we are assuming $100MM for a national launch and $70MM for a regional introduction.
- Share of market projections - pending more formal share projections from the Forecasting Group, Brand and MDD previously agreed that .6 SOM is the most likely outcome of a national launch. Financial Services will also need optimistic, pessimistic, and most likely SOM/volume projections for the thirteen priority regions. As we discussed, since no TPT results are available at this time, these projections may be based on a percent of regional industry volumes.
- Cannibalization rate - again, without TPT results this number will be a rough estimate for both a national and regional launch.

If I can help in any way, or provide additional information, please feel free to call.

J. B. Miller

JBM:et

Attachment

cc: B. T. Parks

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PLAINTIFF'S EXHIBIT 13

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INTER-OFFICE CORRESPONDENCE

R.J.Reynolds Tobacco Company
Winston-Salem, N.C. 27102

RJR

July 22, 1980

TO: Mr. E. A. Morrigan, Jr.

FROM: G. H. Long

SUBJECT: MDD Report on Teenage Smokers (14-17)

Attached is a MDD report covering the aforementioned subject. Last January, a report was issued on this subject that indicated that Philip Morris had a total share of 59 among 14-17 year old smokers, and specifically, Marlboro had a 52 share. This latest report indicates that Philip Morris' corporate share has increased by about 4 points; however, Marlboro remains the same at 52.

Importantly, the report further indicates that RJR continues to gradually decline, and between the spring and fall 1979 periods, RJR's total share declined from 21.3 to 19.9.

Hopefully, our various planned activities that will be implemented this fall will aid in some way in reducing or correcting these trends.

Jerry
G. H. L.

GHL/bb

Attachment

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Fig 1.—Masked Old Joe Camel cartoon advertisement

Fig 2.—A portion of an eight-page Camel advertising supplement

PhD, Weihang Bao, PhD, Larry S. Webber, PhD, and Gerald S. Berenson, MD, unpublished data, 1991; D.M., unpublished data, 1991),[14,18,19] we selected children from Georgia, Massachusetts, Nebraska, New Mexico, and Washington, representing five regions. One school in each state was selected based on its administration's willingness to participate. Schools with a smoking prevention program focused on tobacco advertising were excluded.

A target of 60 students in each grade, 9 through 12, from each school was set. In large schools, classes were selected to obtain a sample representative of all levels of academic ability. Students were told that the study concerned advertising and were invited to participate anonymously.

Since adult brand preferences are available from national surveys, adult subjects were recruited only at the Massachusetts site. All drivers, regardless of age, who were renewing their licenses at the Registry of Motor Vehicles on the days of the study during the 1990-1991 school year were asked to participate. Since licenses must be renewed in person, this is a heterogeneous population.

Materials

Seven Camel Old Joe cartoon character advertisements were obtained from popular magazines during the 3 years prior to the study. One ad was masked to hide all clues (except Old Joe) as to the product and brand being advertised (Fig 1).

The survey instrument collected demographic information and information on past and present use of tobacco, including brand preference. Children were considered to be smokers if they had smoked one or more cigarettes during the previous week. Previously validated questions were used to determine children's intentions regarding smoking in the next month and year[22] and their attitudes toward the advertised social benefits of smoking.[23,24]

Subjects rated the ads as "cool or stupid" and "interesting or boring." Subjects were asked if they thought Old Joe was "cool" and if they would like to be friends with him. Each positive response to these four questions was scored as a one, a negative response as a zero. The "appeal score" was the arithmetic sum of the responses to these four questions, with the lowest possible score per respondent being a zero and the highest a four.

Procedure

Subjects were first shown the masked ad and asked if they had seen the Old Joe character before. They were then asked to identify the product being advertised and the brand name of the product. Subjects who could not answer these questions were required to respond "Don't know" so they would not be able to write in the correct answer when the unmasked advertisements were shown. The subjects were then shown, one at a time, the six unmasked advertisements and asked to rate how the advertisements and the Old Joe cartoon character appealed to them. Subjects then completed the remainder of the survey instrument.

Adolescent brand preference data from this study were compared with the data obtained by seven surveys completed prior to the kickoff of Camel's Old Joe cartoon character campaign early in 1988 (Saundra MacD. Hunter, PhD, Weihang Bao, PhD, Larry S. Webber, PhD, and Gerald S. Berenson, MD, unpublished data, 1991; D.M., unpublished data, 1991).[14,18,19]

Tests of significance were made using the Two-tailed Student's *t* Test for continuous data and the χ^2 and Fisher's Exact Test for discrete data. A *P* value of less than .05 was used to define statistical significance.

The study was conducted during the 1990-1991 school year.

RESULTS

A total of 1060 students and 491 subjects from the Registry of Motor Vehicles were asked to participate. Usable surveys were obtained from 1055 students (99%) and 415 license renewal applicants (84.5%). Seventy drivers were under 21 years of age, leaving 345 adults aged 21 years or older. Students ranged in age from 12 to 19 years (mean, 15 years) and adults from 21 to 87 years (mean, 40.47 years). Females represented 51.0% of the students and 54% of the adults.

Children were much more likely than adults to recognize Camel's Old Joe cartoon character (97.7% vs 72.2%; $P<.0001$) (Table). It is not plausible that the children were simply saying they had seen Old Joe when they had not since they also demonstrated a greater familiarity with the advertisement on the two objective measures.

When shown the masked advertisement, the children were much more successful than the adults in identifying the product being advertised (97.5% vs 67.0%; $P<.0001$) and the Camel brand

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Comparison of Student and Adult Responses to Camel's Old Joe Cartoon Character Advertisements

	Georgia Students	Massachusetts Students	Nebraska Students	New Mexico Students	Washington Students	Total Students*	Total Adults†
No. of subjects‡	212	224	232	210	177	1055	345
Have seen Old Joe, %	98.1	99.6	96.6	95.7	98.9	97.7§	72.2§
Know product, %	95.3	100	97.8	95.7	98.9	97.5§	67.0§
Know brand, %	92.9	97.3	91.8	90.0	96.6	93.8§	57.7§
Think ads look cool, %	62.4	54.1	57.4	61.2	55.1	58.0§	39.9§
Ads are interesting, %	83.4	73.9	77.3	82.3	69.9	73.6§	55.1§
Like Joe as friend, %	46.2	31.1	33.9	31.4	32.6	35.0§	14.4§
Think Joe is cool, %	51.0	38.6	44.1	40.9	40.0	43.0§	25.7§
Mean appeal score‖	2.4	2.0	2.1	1.9	2.0	2.1§	1.4§
Smoke Camel (%)¶	25/76 (36.2)	12/55 (21.8)	13/52 (25.0)	23/43 (53.5)	9/36 (25.7)	86/261 (33.0)§	8/92 (8.7)§

*Age range, 12 to 19 years.
†Age range, 21 to 87 years.
‡This is the total number of subjects in each category; due to incomplete questionnaires, respondents for some questions may be fewer.
§$P<.0001$.
‖See text for explanation.
¶Percentage of smokers who identify Camel as their favorite brand.

name (91.6% vs 57.7%; $P<.0001$). Even when the analysis was limited to those subjects who were familiar with the Old Joe cartoon character, children were still more likely than adults to remember the product (98.6% vs 89.6%; $P<.0001$) and the Camel brand name (95.0% vs 79.1%; $P<.0001$). This confirms that Old Joe cartoon advertisements are more effective at communicating product and brand name information to children than to adults.

Because Massachusetts adults may not be representative of adults in the other four states where children were surveyed, the above analyses were repeated comparing only Massachusetts children and adults. In all cases the differences between adults and children were significant and of even greater magnitude ($P<.0001$), excluding the possibility that the above findings were due to a lighter level of advertising exposure in the Massachusetts area.

On all four measures, the children found the Camel cartoon advertisements more appealing than did the adults. Children were more likely to think the advertisements looked "cool" (58.0% vs 39.9%; $P<.0001$) or "interesting" (73.6% vs 55.1%; $P<.0001$). More of the children thought Old Joe was "cool" (43.0% vs 25.7%; $P<.0001$) and wanted to be friends with him (35.0% vs 14.4%; $P<.0001$).

The brand preference data revealed a dramatic reversal in the market segment pattern that existed prior to Camel's Old Joe cartoon character campaign. Camel was given as the preferred brand by 32.8% of children up to the age of 18 years who smoked, 23.1% of Massachusetts adult smokers aged 19 and 20 years, and 8.7% of those 21 years of age and over. The figures for the Massachusetts adults were significantly higher than the national market share for Camel, 4.4%,[25] suggesting that Massachusetts adults may be more familiar with the Old Joe Camel campaign than adults in general. Camel cigarettes are now most popular with children and progressively less popular with older smokers.

About equal proportions of adults (28.2%) and children (29.0%) reported some current cigarette use, making it unlikely that this factor influenced any of the above findings. Although there were some statistically significant differences in the responses of children from different regions, these were not the focus of this study (Table).

When compared with nonsmokers, children who were currently smoking gave higher approval ratings to the advertisements (mean approval score of 2.8 for smokers vs 1.8 for nonsmokers; $P<.0001$). Approving attitudes toward cigarette advertisements seem to precede actual smoking. Among the nonsmoking children, those who either were ambivalent about their future smoking intentions or expressed a definite intention to smoke were more approving of the advertisements than those children who intended not to smoke (mean approval scores of 2.6 and 1.8, respectively; $P<.001$).

Children were more likely to smoke if they believed that smoking is pleasurable (relative risk [RR], 6.6; $P<.0001$) and that it makes a person more popular (RR, 2.0; $P<.0001$), and attractive (RR, 2.5; $P<.0001$), all common themes in cigarette advertising. Among nonsmoking children, those who believed that smoking would make them more attractive were eight times more likely to express an intention to smoke in the next year ($P<.001$).

COMMENT

Our data demonstrate that in just 3 years Camel's Old Joe cartoon character had an astounding influence on children's smoking behavior. The proportion of smokers under 18 years of age who choose Camels has risen from 0.5% to 32.8%. Given that children under 18 years account for 3.3% of all cigarette sales,[26] and given a national market share of 4.4% for Camel,[25] we compute that Camel's adult market share is actually 3.4%. Given a current average price of 153.3 cents per pack,[27] the illegal sale of Camel cigarettes to children under 18 years of age is estimated to have risen from $6 million per year prior to the cartoon advertisements to $476 million per year now, accounting for one quarter of all Camel sales.

From both a legal and moral perspective, it is important to determine if the tobacco industry is actively promoting nicotine addiction among youngsters. However, from a public health perspective it is irrelevant whether the effects of tobacco advertising on children are intentional. If tobacco advertising is a proximate cause of disease, it must be addressed accordingly. In the following discussion we will examine the evidence produced by this study, the marketing practices of the tobacco industry as a whole as revealed in industry documents, and the marketing practices used by RJR Nabisco, in particular, to promote Camel cigarettes. The quotations cited below are from tobacco industry personnel and from documents obtained during litigation over Canada's ban of tobacco advertising.

Our data show that children are much more familiar with Camel's Old Joe cartoon character than are adults. This may be because children have more exposure to these advertisements, or because the advertisements are inherently more appealing to youngsters. The tobacco industry has long followed a policy of preferentially placing selected advertisements where children are most likely to see them.[3,28,29] For example, print advertisements are placed in magazines

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"specifically designed to reach young people."[20] Paid cigarette brand promotions appear in dozens of teen movies.[21] Camels are featured in the Walt Disney movies *Who Framed Roger Rabbit?* and *Honey I Shrunk the Kids*.

The industry targets poster advertisements for "key youth locations/meeting places in the proximity of theaters, records [sic] stores, video arcades, etc."[22] It is common to see Old Joe poster advertisements in malls, an obvious gathering spot for young teens. Billboards, T-shirts, baseball caps, posters, candy cigarettes, and the sponsorship of televised sporting events and entertainment events such as the Camel "Mud and Monster" series are all used to promote Camel.[23] All are effective marketing techniques for reaching children.[24-31]

The fact that children are much more attracted to the themes used in the Old Joe cartoon character advertisements may also explain why they are more familiar with them. The themes used in tobacco advertising that is targeted at children are the result of extensive research on children conducted by the tobacco industry to "learn everything there was to learn about how smoking begins."[25-38] Their research identifies the major psychological vulnerabilities of children, which can then be exploited by advertising to foster and maintain nicotine addiction.

The marketing plan for "Export A" cigarettes describes their "psychological benefits": "Export smokers will be perceived as . . . characterized by their self-confidence, strength of character and individuality which makes them popular and admired by their peers."[39]

Consider a child's vulnerability to peer pressure. According to one industry study, "The goading and taunting that exists at the age of 11 or 12 to get nonsmokers to start smoking is virtually gone from the peer group circles by 16 or 17."[35,36] If peer influence is virtually gone by the age of 16 years, who is the intended target group for RJR-MacDonald's Tempo brand, described as individuals who are "[e]xtremely influenced by their peer group"?[40] (RJR-MacDonald is a wholely owned subsidiary of RJR Nabisco.) The recommended strategy for promoting this brand is the "[m]ajor usage of imagery which portrays the positive social appeal of peer group acceptance."[40] In one Camel advertisement, a cowboy (a Marlboro smoker?) is being denied admission to a party because "only smooth characters [ie, Camel smokers] need apply" (Fig 2). It appears that Camel advertisements are also targeted at individuals who are influenced by their peer group.

Children use tobacco, quite simply, because they believe the benefits outweigh the risks. To the insecure child, the benefits are the "psychological benefits" promised in tobacco advertisements: confidence, an improved image, and popularity.[39-40,41] Children who believe that smoking will make them more popular or more attractive are up to 4.7 times more likely to smoke.[27,34]

Previous research makes it clear that children derive some of their positive images of smoking from advertising.[11,13,34] Children who are aware of tobacco advertising, and those who approve of it, are also more likely to be smokers.[10,11,13-16] Children's favorable attitudes toward smoking and advertising precede actual tobacco use and correlate with the child's intention to smoke, suggesting that the images children derive from advertising encourage them to smoke.[42] Our data confirm these earlier findings. Among nonsmoking children, those who were more approving of the Old Joe advertisements were more likely either to be ambivalent about their smoking intentions or to express a definite intention to smoke. Nonsmoking children who believed that smoking would make them more popular were eight times more likely to express an intention to smoke in the future.

Since a child's intention to smoke is considered to be a good predictor of future smoking behavior,[43] it seems reasonable to conclude that a belief in the psychological benefits of smoking, derived from advertising, precedes, and contributes to, the adoption of smoking.

There are other lines of evidence indicating that tobacco advertising increases the number of children who use tobacco. In countries where advertising has been totally banned or severely restricted, the percentage of young people who smoke has decreased more rapidly than in countries where tobacco promotion has been less restricted.[44] After a 24-year decline in smokeless tobacco sales, an aggressive youth-oriented marketing campaign has been followed by what has been termed "an epidemic" of smokeless tobacco use among children, with the *average* age for new users being 10 years.[45,46]

Many of the tobacco industry documents cited above provide abundant evidence that one purpose of tobacco advertising is to addict children to tobacco. In the words of one advertising consultant, "Where I worked we were trying very hard to influence kids who were 14 to start to smoke."[47] Two marketing strategy documents for Export A also reveal that it is the youngest children they are after.[48,49] "Whose behavior are we trying to affect?: new users."[48] The goal is "[o]ptimizing product and user imagery of Export 'A' against young starter smokers."[49] The average age for starter smokers is 13 years.[49]

The industry also researches the best ways of keeping children from quitting once they are "hooked on smoking."[50] The purpose of one tobacco industry study was to assess the feasibility of marketing low-tar brands to teens as an alternative to quitting.[50] The study found that for boys, "[t]he single most commonly voiced reason for quitting among those who had done so . . . was sports."[50] The tobacco industry's sponsorship of sporting events, such as the Camel Supercross motorcycle race, should be seen in relation to its need to discourage teenage boys from quitting. Similarly, its emphasis on slimness serves as a constant reinforcement of teenage girls' fears of gaining weight as a result of quitting.

Our study provides further evidence that tobacco advertising promotes and maintains nicotine addiction among children and adolescents. A total ban of tobacco advertising and promotions, as part of an effort to protect children from the dangers of tobacco,[32,33] can be based on sound scientific reasoning.

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that has led the campaign to prevent the sale of tobacco to minors: Stop Teenage Addiction to Tobacco (STAT) (based in Springfield, Mass).

When legislative controls are inadequate, an alternative strategy is litigation. In 1987, two young people sued a chain of 109 convenience stores based in Waltham, Mass, alleging that one of the chain stores sold them cigarettes as minors and thus aided in their becoming addicted (*Kyte v Store 24*). In a settlement, the chain agreed to demand proof of age from anyone not clearly of legal age before selling them tobacco (*Wall Street Journal*, June 18, 1991:B1, B11).

The ultimate question is whether reducing youth access to tobacco will lower future smoking prevalence and smoking-related disease. In theory, it should. Making it more difficult for young people to obtain tobacco should impede the transition from experimentation to regular use. Delayed onset of smoking is associated with decreased mortality as well as increased attempts to quit and smoking cessation during the school years.[4-6,26]

Some have argued that tobacco access laws may be counterproductive because children may more aggressively pursue a "forbidden fruit."[27] This argument suggests that we should make all forbidden fruits—cars, beer, "adult" videocapes—freely available to children. Others have pointed out that the purchase of alcoholic beverages by teenagers still occurs (or is increasing) despite licensure of retailers and other controls; however, lax enforcement of these policies[28] undercuts the use of that argument against tobacco access laws.

More research is needed to fully understand the effects of tobacco access laws. In the meantime, we should proceed "full steam ahead" with their adoption and enforcement. Prevention of smoking initiation requires a multifaceted approach that addresses the supply of tobacco, the demand for it, and the environment in which it is used. A smoke-free environment in schools helps to inculcate in our children the perception of nonsmoking as the social norm. School health education and tobacco advertising restrictions are intended to reduce the demand for tobacco among youth. Adding supply-side strategies to our armamentarium will increase our likelihood for success.

Ronald M. Davis, MD

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Making Smoking Prevention a Reality

Since the inception of the antitobacco movement in the late 1950s, national, state, and local public health campaigns have delayed an estimated three quarters of a million deaths from tobacco-related disease.[1] Although many lives have been saved, one in every five deaths in 1988 was smoking-related, and smoking directly caused 434 000 deaths in 1988.[2,3] It is amazing to think that each and every day, 1200 Americans—50 each hour—lose their lives from preventable smoking.

From the Office of the Director, Centers for Disease Control, Atlanta, Ga.
Reprint requests to the Office on Smoking and Health, National Center for Chronic Disease Prevention and Health Promotion, Centers for Disease Control, Mail Stop K-50, 1600 Clifton Rd NE, Atlanta, GA 30333 (Public Information Branch).

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related diseases such as lung cancer, heart disease, and chronic obstructive lung disease.[4]

Tobacco, the plague of our time, brings forth the need for us to band together—together, we can ultimately save thousands of lives now held hostage by smoking.[5] As a community of health professionals, our mission is to support the year 2000 health objectives[6] and to acknowledge tobacco as the significant and far-reaching public health problem portrayed in the objectives. If we are to reduce cigarette smoking to a prevalence of no more than 15% by the year 2000,[6] we will need to double the current rate of decline in smoking prevalence. To meet this objective, environmental, social, and behavioral factors must all be included as part of any national strategies. Any approach to solving this problem must recognize that these factors are intertwined.

Even though 42 million Americans have quit smoking, nearly 50 million adults (28% of the population) in the United States continue to smoke.[7] Nicotine addiction is difficult to overcome,[8] and the decline in smoking has been substantially slower among women than men. Smoking prevalence remains disproportionately high among minorities, blue-collar workers, and people with less education.[9] In addition, the rate of smoking during the 1980s among our nation's teenagers has not changed substantially compared with the rate in the late 1970s and early 1980s.[9] The fact that about 80% of all adult smokers become regular smokers before their 21st birthday underscores the magnitude and pervasiveness of the problem.

The future health and well-being of our children and our nation depend upon our ability to intensify efforts to discourage young people from starting to smoke. The coordination of supportive tobacco prevention and cessation programs among health care agencies, businesses, policymakers, educational institutions, and other influential groups is also imperative. Once effective school-based prevention programs have been placed in all of our nation's schools, young people will be better educated about the negative health consequences of tobacco use and about ways they can resist the pressure to experiment with smoking.

Tobacco control policies represent important strategies for limiting tobacco use and, therefore, preventing the onset of smoking. One such policy prohibits the sale and distribution of tobacco products to those younger than age 19.[6] Other components for reducing tobacco use—such as banning the use of vending machines, creating a licensing system for vendors, and increasing the frequency of enforcement—should be included in minors' access legislation. The US Department of Health and Human Services has urged the adoption of a model law, "the Model Sale of Tobacco Products to Minors' Control Act,"[10] in all 50 states.[6]

Elimination of restriction of advertisements to which our young people are likely to be exposed is an objective worth considerable effort. According to Louis W. Sullivan, MD, secretary of health and human services, "access to cigarettes is still too easy for those who are under the legal age, and the tobacco industry continues to advertise in a shameless manner to susceptible young people."[11] Tobacco advertisements cloak a known deleterious product in images that appeal to youth.

Numerous economic studies have demonstrated an inverse relationship between the price of tobacco products and tobacco consumption.[1] Increasing the price of cigarettes may reduce the number of adolescent as well as adult smokers in this country; increasing state excise taxes would have the dual advantage of improving the health of citizens and generating state revenues.

We cannot reach the year 2000 objectives without accelerating cessation efforts. Physicians, dentists, and other health care providers play a crucial role in this strategy. All physicians and dentists should (1) ask all patients if they smoke, (2) advise smoking patients to stop, (3) assist smoking patients with quitting (eg, set a target date), and (4) provide follow-up support.[12] One key to prevention is to recommend cessation for all patients who smoke, not just those exhibiting smoking-related symptoms.

Making smoking prevention a reality will not be an easy task, as there are many obstacles to overcome. We must intensify our efforts and broaden our partnerships to create a more efficient networking system. Many diverse organizations in our society have the potential to bring about sweeping changes in public policies with regard to tobacco and health education efforts, minors' access to tobacco products, smoking prevention programs in schools, tobacco advertising, and smoking cessation. Our success in effectively controlling tobacco—a highly lethal consumer product—requires a very real commitment by every one of us.

William L. Roper, MD, MPH

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Journal of the American Medical Association

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509 OLIVE WAY
SEATTLE WA 98101-1773

Table 1.—Estimated Number of Daily Smokers Aged 8 to 17 Years, Conservative Method

Age, y	No.	Dropout Rate, %	Students			Dropouts			Total No. of Smokers
			No.	% Smoking	No. of Smokers	No.	% Smoking	No. of Smokers	
8-10	10 447 000	...	...	...	...	...	...	...	51 870*
11	3 482 000	0.8	3 454 000	1.3	44 900	27 860	25	6964	51 870
12-13	6 964 000	0.8	6 908 000	5.0	345 400	55 710	50	27 860	373 300
14-15	6 964 000	2.4	6 797 000	11.4	774 800	167 100	75	125 400	900 200
16-17	6 964 000	7.7	6 428 000	17.2	1 106 000	536 200	75	402 200	1 508 000
Total	34 820 000†	...	...	...	...	...	...	...	2 885 000†

*See text for explanation.
†Columns do not add because of rounding.

Table 2.—Estimated Annual Consumption of Daily Smokers Aged 8 to 17 Years, Conservative Method

Age, y	No. of Daily Smokers	No. of Cigarettes per Day	No. of Packs per Year
8-11	103 700	4.00	7 578 000
12-17	2 781 000	13.73	697 400 000
Total	2 885 000*	...	705 000 000*

*Columns do not add because of rounding.

discrepancy of 13%. To take this discrepancy into account, high school seniors who had once been daily smokers, but were not daily smokers at the time of the survey, were excluded by reducing the estimated prevalence for each age category by 13%.

In a survey of young children, the number of smokers aged 8 to 10 years was greater than the number of smokers who were 11 years of age.[9] However, for the purpose of our conservative estimate, it was assumed that the number of smokers under 11 years old equaled the number of 11-year-old smokers.

Data on the cigarette consumption of daily smokers 12 to 17 years old are available from a number of surveys.[3,10-12] Unfortunately, many surveys collect consumption data in strata (eg, greater or less than half a pack per day), making it difficult to accurately and precisely estimate average consumption. Using data from a 1979 telephone survey,[10] Warner[4] estimated the average consumption of 12- to 17-year-old smokers to be 16.0 cigarettes per day. Results from two Gallup telephone surveys were an average consumption of 12 cigarettes per day in 1985 and 13.73 in 1986 for Canadian youth aged 12 to 17 years.[11,12] The cost of cigarettes is much higher in Canada, and, to the degree to which higher prices discourage children from smoking, one might expect Canadian youth to smoke less than their American peers.[11] We chose the middle and most recent of these three figures, 13.73, for our conservative calculation (Table 2). Another study of Canadian youth was used to provide an estimate of the average cigarette consumption by daily smokers under the age of 12 years of 4 cigarettes per day.[9]

The smoking rate among older school dropouts was estimated by Pirie et al[7] to be 75%. It was assumed for this analysis that the rate among dropouts 11 years old and under is 25% and for those 12 to 13 years, 50%. However, the actual smoking rate in this group may be higher because of the strong association between smoking and social deviance.

It was assumed that there are 20 cigarettes to a pack with an average retail price of 129.5 cents per pack.[13] Annual cigarette sales to children under 18 years of age are estimated by this method to be $913 million.

The calculation of our comprehensive estimate (Tables 3 and 4) parallels that for the conservative estimate with the following exceptions. The same data on age of initiation[7] were used, but the adjustment for the 13% of previously daily smokers who no longer smoked daily was not made. Two factors suggest that these data on age of initiation are too conservative. First, the data were gathered retrospectively from the high school class of 1988, and there is evidence of a recent increase in tobacco use among younger teenagers.[14] Second, it has been shown that in retrospective surveys people tend to recall starting to smoke at an older age than was actually the case.[15]

Estimates were made of the number of youth who smoke regularly but not every day. Among high school seniors, the prevalence of less than daily smokers is 0.586 that of the daily smokers.[9] From the Canadian study it is clear that the proportion of smokers who do not smoke every day increases with younger age groups.[9] For this calculation, it was assumed that the proportion of less than daily to daily smokers was 0.586 for ages 12 to 17 years. For children under 12 years, a proportion of less than daily to daily smokers of 3.35 was derived from the Canadian study.[9] The cigarette consumption rates for those who smoke less than daily are estimated on the basis of Canadian survey data for those age groups.[9]

Self-reports of cigarette consumption reliably underestimate actual consumption, accounting for only 72% of the cigarettes sold in this country.[16] The self-reported consumption rates for children were therefore multiplied by a factor of 1.39 to correct for this underreporting.

Our comprehensive calculation gives an estimate of cigarette consumption by youths under 18 years of age of 1.19 billion packs per year, accounting for sales revenues of $1.54 billion.

It is probably reasonable to assume that actual cigarette sales to youths fall somewhere between our two estimates. An average of our two calculations places annual cigarette sales to youths under age 18 at 947 million packs and revenues at $1.23 billion. In 1988, the federal government collected taxes on the sale of 28 562 000 000 packs of cigarettes.[16] Cigarettes consumed by children under 18 years old therefore represent 3.3% of all cigarette sales. This estimate is similar to one from Canada, where sales to children accounted for 3.6% of total sales.[16]

Chewing Tobacco and Snuff

In 1986 it was estimated that 1.7 million boys aged 12 to 17 years had used smokeless tobacco within the previous year.[17] Of these, 0.5 million use it at least weekly. If the 1.2 million boys who use smokeless tobacco less than weekly are excluded and it is assumed that those who use it every week consume only one pack or can per week, at a cost of $1.25 per unit, sales of smokeless tobacco to children under 18 years would total

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Stanford Research Into the Impact of Tobacco Advertising http://www.industrydocuments.ucsf.edu/docs/hfxl0001

Table 3.—Estimated Number of Daily Smokers Aged 8 to 17 Years, Comprehensive Method

			Students			Dropouts			
Age, y	No.	Dropout Rate, %*	No.	% Smoking	No. of Smokers	No.	%, Smoking	No. of Smokers	Total No. of Smokers
8-10	10 447 000								58 780
11	3 482 000	0.8	3 454 000	1.5	51 810	27 860	25	6964	58 780
12-13	6 964 000	0.8	6 908 000	5.7	393 800	55 710	50	27 860	421 700
14-15	6 964 000	2.4	6 797 000	13.1	890 400	167 100	75	125 400	1 016 000
16-17	6 964 000	7.7	6 428 000	19.75	1 270 000	536 200	75	402 200	1 672 000
Total	34 820 000†	...	...	...	...	...	...	...	3 227 000†

*See text for explanation.
†Columns do not add because of rounding.

Table 4.—Estimated Annual Consumption of All Smokers Aged 8 to 17 Years, Comprehensive Method

			No. of Cigarettes per Day		
Age, y	Smoking Category	No. of Smokers	Self-Reported Rate	Adjusted Rate	No. of Packs per Year
8-11	<Daily	393 800	0.20	0.278	1 999 000
8-11	Daily	117 600	4.00	5.560	11 940 000
12-17	<Daily	1 822 000	2.00	2.780	92 500 000
12-17	Daily	3 106 000	13.73	19.080	1 083 000 000
Total	...	5 442 400*	...	...	1 190 000 000*

*Columns do not add because of rounding.

$32 500 000 per year. Adding these revenues to those from cigarettes results in annual revenues of $1.23 billion from tobacco sales to children.

Tax Revenue

At 10 cents per pack, the 947 million packs sold to children under 18 years of age each year generate $152 million in federal tax revenue.

Cigarettes are taxed in every state, with rates varying from 2 cents per pack in North Carolina to 38 cents in Minnesota, for a national average of 18.3 cents per pack.[16] State tax revenues from the sale of cigarettes to children under 18 total approximately $173 million annually.

City and county taxes account for only 2% of all cigarette taxes[16] and were therefore excluded from this analysis.

In 1988, a total of 29 states also taxed chewing tobacco and snuff. Congress repealed the federal excise tax on smokeless tobacco in 1965.[21] It is not possible to estimate with any reliability the taxes paid by children on these forms of tobacco because summary statistics are not available. In any case, the amount is not substantial, as 98.8% of all tobacco taxes paid in 1988 were for cigarettes.[16]

Tobacco Industry Income and Profits

To estimate the revenues and profits to the cigarette manufacturers derived from the sale of tobacco to children, the most recent annual reports were obtained from each of the six major tobacco companies. Five reports represented 1988; the RJR Nabisco report was for 1987. Together, these companies account for approximately 98% of domestic tobacco sales. From largest to smallest in terms of tobacco sales, these are Philip Morris, RJR Nabisco, Brown & Williamson, Lorillard, American Brands, and Liggett & Meyers. Together, they reported operating incomes of $6.7 billion from sales of tobacco products totaling $21.3 billion (an operating margin of 31%). If sales to children account for 3.3% of cigarette sales, these six companies share an annual $703 million in revenues and $221 million in profits from the sale of cigarettes to children.

Children who become addicted to nicotine frequently become lifelong customers of the tobacco companies. Each child who becomes addicted can therefore be considered an "investment" that will pay dividends into the future. Among smokers born since 1935, almost half started before the age of 18 years,[2] and among 24-year-old smokers 68% indicate that they began smoking prior to age 18.[17] It seems reasonable to conclude that approximately half of all tobacco industry profits, $3.35 billion annually, represent the long-term profits from childhood addiction to nicotine. With the trend to earlier age of initiation, such that 90% of new smokers now start by the age of 19 years,[17] the proportion of tobacco industry profits derived directly or indirectly from childhood addiction to nicotine may approach 90%.

COMMENT

In this analysis of cigarette use by children, we have estimated the profits to the tobacco industry and the tax revenues to state and federal governments. We believe our estimate of $1.23 billion in cigarette sales to children under 18 years is close to the mark. Warner[14] estimated the annual consumption of children aged 12 to 17 years to be 19.1 billion cigarettes in 1982. Assuming a price of 129.5 cents per pack of 20, this equals sales of $1.25 billion dollars.

The sale of tobacco to children is illegal in 43 states and the District of Columbia. Since we estimate that more than 3% ($221 million in 1988) of tobacco company profits derive from this activity, we suggest a 3% "illegal drug profits tax" levied on tobacco industry profits to recover these funds so that they might be used to prevent nicotine addiction among children. A precedent for this type of tax exists in the "windfall profits tax" levied on the oil industry in response to accusations of price gouging during the energy crisis of the 1970s.

The $152 million the federal government receives annually from the sale of tobacco to children could also be earmarked for prevention. Federal expenditures for all activities related to smoking and health, including both prevention and research, totaled less than $100 million in 1986.[4] By comparison, every 9 days children pay federal cigarette taxes equivalent to the entire budget for the Office of Smoking and Health ($3.6 million), the only federal agency devoted solely to smoking.[4]

Much more can be done to end the profiteering from tobacco sales to children. As recently as 1 year ago it could be said that almost no effort was being made to enforce the state laws that prohibit the sale of tobacco to minors.[17] Fortunately, this is no longer true, with a variety of enforcement efforts under way in several states.

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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

IRON WORKERS LOCAL UNION NO. 17 INSURANCE FUND, et al., Plaintiffs, v. PHILIP MORRIS, INC., et al., Defendants.	Civil Action No.: 1: 97 CV 1422 JUDGE JAMES S. GWIN MAGISTRATE JUDGE THOMAS

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R.J. REYNOLDS TOBACCO COMPANY'S RESPONSE TO PLAINTIFFS' FIRST REQUESTS FOR PRODUCTION

Pursuant to rules 26 and 34 of the Federal Rules of Civil Procedure defendant R.J. Reynolds Tobacco Company ("Reynolds") responds to plaintiffs' First Requests for Production ("plaintiffs' requests") as follows:

I. GENERAL RESPONSES AND RECURRING OBJECTIONS

Reynolds makes the following general responses and recurring objections to plaintiffs' requests. The objections set forth below are incorporated into each of Reynolds' responses to plaintiffs' specific requests for production of documents.

A. Minnesota Depository

For more than two years, Reynolds has been producing documents to a depository established by court order in The State of Minnesota, et al. v. Philip Morris, Inc., et al., State of Minnesota, County of Ramsey, District Court, Second Judicial District, court File No. C1-94-

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PLAINTIFFS EXHIBIT 30

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by any given distributor in any given state and, therefore, does not have the means to track sales, expenses or profits (derived directly or indirectly) on a state-by-state basis.

REQUEST NO. 37: For each year from 1954 to 1998, please provide all documents which show your Ohio State aggregate consolidated operating profits.

RESPONSE:

Reynolds objects to this request on the grounds that it is overbroad, unduly burdensome and seeks documents that are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Subject to and without waiving its objections, Reynolds states that it has no way of knowing whether cigarettes actually shipped by it to distributors physically located within the State of Ohio are eventually sold to retailers located in Ohio or whether some part is sold to retailers outside the State. Likewise, Reynolds has no way of knowing whether cigarettes shipped by it to distributors outside the State of Ohio are eventually sold to retailers located in Ohio. Reynolds does not track (nor does it have the means to track) sales to individual retailers by any given distributor in any given state and, therefore, does not have the means to track sales, expenses or profits (derived directly or indirectly) on a state-by-state basis.

REQUEST NO. 38: For each year from 1954 to 1998, please provide all documents which show the total amount of funds spent by your company in the United States for advertising, marketing and promotion of cigarettes.

RESPONSE:

Reynolds objects to this request on the grounds that it is overly broad, unduly burdensome and seeks documents that are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Reynolds also objects to this request insofar as it seeks documents that relate to claims that are preempted by the Federal Cigarette Labeling and

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Advertising Act, codified as amended at 15 U.S.C. §§ 1331 et seq. See Cipollone v. Liggett Group, Inc., 505 U.S. 504, 112 S.Ct. 2608 (1992).

Reynolds further objects to the phrase "advertising, marketing and promotions" on the grounds that it is vague and ambiguous. For example, the information which Reynolds is required to report to the FTC as "advertising, marketing, or promotion" includes price discounting (e.g., coupons).

Subject to and without waiving its objections, Reynolds states that, as reported to and based upon the rules and regulations promulgated by the Federal Trade Commission, its annual expenditures on advertising and promotion of cigarettes, excluding expenditures relating to coupons, price discounts, or amounts paid to retailers as a "promotional allowance," for the years ended December 31, 1963 through December 31, 1997, were as follows:

1997	-	$477,487,000
1996	-	$365,607,000
1995	-	$333,111,000
1994	-	$326,151,000
1993	-	$435,540,000
1992	-	$462,034,000
1991	-	$496,898,000
1990	-	$573,241,000
1989	-	$527,019,000
1988	-	$436,853,000
1987	-	$469,964,000
1986	-	$600,440,000
1985	-	$603,873,000
1984	-	$612,613,628
1983	-	$588,184,168
1982	-	$530,116,117
1981	-	$433,172,002
1980	-	$363,761,764
1979	-	$288,435,251
1978	-	$214,385,981
1977	-	$192,685,525
1976	-	$149,021,007
1975	-	$121,419,404
1974	-	$ 95,427,564
1973	-	$ 73,884,317

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1972	-	$ 72,790,767
1971	-	$ 62,522,220
1970	-	$ 89,635,729
1969	-	$ 79,226,236
1968	-	$ 79,015,550
1967	-	$ 78,672,816
1966	-	$ 73,520,251
1965	-	$ 67,367,680
1964	-	$ 70,874,729
1963	-	$ 59,860,879

Further, Reynolds states that, based upon financial recapitulations, its annual expenditures on cigarette advertising for the years ended December 31, 1953 through December 31, 1962 were as follows:

1962	-	$ 60,206,874
1961	-	$ 57,296,984
1960	-	$ 53,141,763
1959	-	$ 50,316,407
1958	-	$ 43,569,031
1957	-	$ 41,216,816
1956	-	$ 39,403,534
1955	-	$ 30,459,044
1954	-	$ 29,079,690

Lastly, Reynolds states that documents of the type responsive to this request have been produced to the Minnesota depository.

REQUEST NO. 39: For each year from 1954 to 1998, please provide all documents which show the total amounts of funds spent by your company in the United States for research and development.

RESPONSE:

Reynolds objects to this request on the grounds that it is overbroad, unduly burdensome and seeks documents that are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Subject to and without waiving its objections, Reynolds states that in addition to the over $100 million contributed to TIRC/CTR since its inception in 1954 to fund independent

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part, on the fact that this request purports to require the production of documents relating to the market share of entities other than Reynolds.

Subject to and without waiving its objections, Reynolds states that its share of market based on shipments to distributors located in Ohio for the following years is:

YEAR	Reynolds' Market Share OHIO
1987	38.12%
1988	37.32%
1989	33.31%
1990	34.15%
1991	30.84%
1992	31.29%
1993	32.51%
1994	30.12%
1995	29.89%
1996	28.94%
1997	28.41%

Reynolds further states, based upon reasonable inquiry, that it does not have information sufficient to permit it to determine its market share in the State of Ohio prior to 1987.

This information was obtained from data maintained by Management Science Associates, Inc. ("MSA") of Pittsburgh, PA. Since 1974, the major U.S. cigarette manufacturers (Philip Morris, Inc., Reynolds, Brown and Williamson, American Tobacco, Lorillard and Liggett) have reported to MSA on a monthly basis their total cigarette shipments to each of their direct wholesale customers. The above information is based on manufacturer shipments to wholesalers physically located within the State of Ohio. This data does not represent retail sales to consumers.

REQUEST NO. 50: For each year from 1954 to 1998, please provide all documents which describe, illustrate or depict market share for cigarettes, by company, in the United States.

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RESPONSE:

Reynolds objects to this request on the grounds that it is overly broad, unduly burdensome and seeks documents that are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Reynolds' overbreadth and burden objections are based, in part, on the fact that this request purports to require the production of documents relating to the market share of entities other than Reynolds.

Subject to and without waiving its objections, Reynolds states that based on Maxwell reports (which are typically relied on by Reynolds for measuring market share), Reynolds' annualized market share, which includes all of its cigarette brands sold in that year, for the United States is:

YEAR	REYNOLDS' MARKET SHARE UNITED STATES
1954	25.14%
1955	25.83%
1956	27.59%
1957	28.53%
1958	28.64%
1959	30.75%
1960	32.76%
1961	34.07%
1962	34.84%
1963	33.24%
1964	33.38%
1965	33.11%
1966	32.32%
1967	32.15%
1968	32.41%
1969	32.08%
1970	31.35%
1971	32.84%
1972	31.93%
1973	30.52%
1974	32.25%

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1975	32.79%
1976	31.94%
1977	33.61%
1978	32.39%
1979	32.49%
1980	32.38%
1981	33.62%
1982	34.00%
1983	31.38%
1984	32.00%
1985	31.60%
1986	32.30%
1987	32.50%
1988	31.80%
1989	28.50%
1990	29.60%
1991	27.80%
1992	28.80%
1993	30.60%
1994	26.70%
1995	25.66%
1996	24.64%
1997	24.20%

Sources:

1953-1984: John C. Maxwell, Jr., Furman, Sely, Mager, Diets and Birner, Inc., "Historical Sales Trends in the Cigarette Industry: A Statistical Summary Covering 60 Years (1925-1984)" (April 1985).

1985-1989: John C. Maxwell, Jr., "The Maxwell Consumer Report-1989: Year End Sales Estimates for the Cigarette Industry" (Feb. 1990).

1990-1994: John C. Maxwell, Jr., "The Maxwell Consumer Report: Fourth Quarter and Year-End Sales Estimates for the Cigarette Industry" (Feb. 1995).

1995-1997: John C. Maxwell, Jr., "The Maxwell Consumer Report: Fourth Quarter and Year-End Sales Estimates for the Cigarette Industry" (March 1998).

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Lastly, Reynolds states that the documents sought by this request have been produce to the Minnesota depository in response to Request No. 20 of the Minnesota plaintiffs' First Request for Production of Documents.

Respectfully submitted,

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ATTORNEYS FOR DEFENDANT
R.J. REYNOLDS TOBACCO CO.

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in
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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

IRON WORKERS LOCAL UNION NO. 17 INSURANCE FUND, et al.,	)	Civil Action No.: 1: 97 CV 1422
Plaintiffs.	)	JUDGE JAMES S. GWIN
v.	)	
PHILIP MORRIS INCORPORATED, et al.,	)	
Defendants.	)	

PHILIP MORRIS INCORPORATED'S RESPONSE
TO PLAINTIFFS' FIRST REQUESTS FOR PRODUCTION

NOW COMES Philip Morris Incorporated ("Philip Morris") and in response to Plaintiffs' First Requests For Production ("Requests") states as follows:

GENERAL OBJECTIONS

A. Philip Morris objects to the "Definitions" and "Instructions" to these Requests to the extent they attempt to impose obligations on Philip Morris other than those imposed or authorized by the Federal Rules of Civil Procedure and/or any applicable order of this Court.

B. Philip Morris objects to these Requests to the extent they violate the agreement entered into by the parties by letter dated March 26, 1998. Pursuant to that agreement, *inter alia*, Plaintiffs agreed to not serve any requests for production seeking documents contained in the Minnesota Depository and to meet and confer with Defendants before serving any additional requests for production. Plaintiffs have violated this agreement in two respects. Specifically, Plaintiffs have breached the March 26 Agreement by (1) requesting the production of documents which *are* available in the Minnesota Depository, to which

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Year	Total U.S. Sales Volume (# of cigarettes)(in billions)
1989	219.55
1990	220.52
1991	220.71
1992	214.29
1993	194.71
1994	219.40
1995	221.79
1996	230.94
1997	235.15

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REQUEST FOR PRODUCTION NO. 26: For each year from 1954 to 1998, please provide all documents which show your domestic tobacco operations operating profits from sales of all tobacco products.

RESPONSE: Philip Morris objects to this Request on the grounds that the term "show" is vague and ambiguous. Philip Morris objects to this Request on the grounds that it is overly broad, unduly burdensome, and seeks documents containing information that is neither relevant to the subject matter of this litigation nor reasonably calculated to lead to the discovery of admissible evidence. Philip Morris further objects to this Request to the extent that documents from which responsive information can be derived are available to Plaintiffs in the public domain. Subject to and without waiving its specific and General Objections, Philip Morris provides the following summary of Philip Morris' profits (income from operations before other deductions, interest, corporate expenses and income taxes) from the sale of cigarettes in the United States for the years 1954 through 1997. With the exception of 1957 and 1960, the numbers set forth represent Philip Morris' domestic tobacco profits. In 1960, the number was estimated from pre-tax earnings.

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http://legacy.library.ucsf.edu/tid/scr07a00/pdf Guttid/scr07a00/pdf http://www.industrydocuments.ucsf.edu/docs/hfxl0001

Year	Profit (in millions)
1954	25
1955	24
1956	27
1957	37
1958	38
1959	39
1960	35
1961	41
1962	43
1963	40
1964	34
1965	42
1966	49
1967	73
1968	96
1969	116
1970	160
1971	176
1972	196
1973	226
1974	244
1975	336
1976	397
1977	474
1978	568

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Year	Profit (in millions)
1979	701
1980	787
1981	906
1982	1,102
1983	1,338
1984	1,745
1985	2,047
1986	2,366
1987	2,715
1988	3,087
1989	3,806
1990	4,206
1991	4,774
1992	5,185
1993	5,408
1994	5,502
1995	5,740
1996	4,306
1997	5,267

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REQUEST FOR PRODUCTION NO. 27: For each year from 1954 to 1998, please provide all documents which show your domestic tobacco operations operating profits from sales of all tobacco products from sales of each tobacco product (in terms of numbers of cigarettes or packs sold and in terms of dollars).

RESPONSE: Philip Morris objects to this Request on the grounds that the term "show" is vague and ambiguous. Subject to and without waiving its specific and General Objections, Philip

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REQUEST FOR PRODUCTION NO. 36: For each year from 1954 to 1998, please provide all documents which show your Ohio State aggregate consolidated operating revenues.

RESPONSE: Philip Morris objects to this Request on the grounds that the term "show" is vague and ambiguous. Philip Morris further objects to this Request on the grounds that it is overly broad, unduly burdensome and fails to identify the documents sought with reasonable particularity. Subject to and without waiving its specific and General Objections, Philip Morris states that it does not maintain specific records of aggregate consolidated operating revenues on a state-specific basis. Further answering, Philip Morris refers Plaintiffs to its objections and response to Request Nos. 24 and 34.

REQUEST FOR PRODUCTION NO. 37: For each year from 1954 to 1998, please provide all documents which show your Ohio State aggregate consolidated operating profits.

RESPONSE: Philip Morris objects to this Request on the grounds that the term "show" is vague and ambiguous. Philip Morris further objects to this Request on the grounds that it is overly broad, unduly burdensome and fails to identify the documents sought with reasonable particularity. Subject to and without waiving its specific and General Objections, Philip Morris states that it does not maintain records of aggregate consolidated operating profits on a state-specific basis. Further answering, Philip Morris refers Plaintiffs to its objections and response to Request Nos. 26 and 35.

REQUEST FOR PRODUCTION NO. 38: For each year from 1954 to 1998, please provide all documents which show the total amount of funds spent by your company in the United States for advertising, marketing and promotion of cigarettes.

RESPONSE: Philip Morris objects to this Request on the grounds that the term "show" is vague and ambiguous. Philip Morris further objects to this Request on the grounds that it is overly broad, unduly burdensome, and seeks documents containing information that is neither relevant to the subject matter of this litigation nor reasonably calculated to lead to the discovery of admissible

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Stanford Libraries http://www.industrydocuments.ucsf.edu/docs/hfxl0001

evidence. Subject to and without waiving its specific and General Objections, and specifically General Objection D, Philip Morris states that documents which may be responsive to this Request have been produced by Philip Morris into the Minnesota Depository in response to Minnesota Request R1-019.

Furthermore, as described in General Objection D, documents that may be responsive to this Request are on the Defendants' internet site. Plaintiffs may search the internet index described in General Objection D to identify documents that are responsive to the Minnesota Request number identified above, and may access those documents. Therefore, Philip Morris also directs Plaintiffs to its internet site referred to in General Objection D.

In addition, Philip Morris responds to this Request by providing its advertising, marketing and promotional expenditures for cigarettes in the United States from 1969 through 1996 as follows. This information is not available for years prior to 1969.

Year	PHILIP MORRIS INCORPORATED'S ADVERTISING, MARKETING AND PROMOTIONAL EXPENDITURES FOR CIGARETTES IN THE UNITED STATES
1969	49,525,967
1970	58,104,621
1971	60,264,038
1972	62,733,980
1973	61,146,929
1974	73,026,503
1975	111,069,995
1976	164,689,339

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1977	164,026,498
1978	226,662,781
1979	249,825,725
1980	322,049,120
1981	394,910,811
1982	467,940,119
1983	502,760,151
1984	546,304,854
1985	695,628,132
1986	738,037,893
1987	857,058,060
1988	1,099,476,150
1989	1,252,362,290
1990	1,490,196,003
1991	1,638,407,814
1992	1,784,040,769
1993	2,804,508,695
1994	2,199,561,326
1995	2,267,030,142
1996	2,209,626,447

REQUEST FOR PRODUCTION NO. 39: For each year from 1954 to 1998, please provide all documents which show the total amount of funds spent by your company in the United States for research and development.

http://legacy.library.ucsf.edu/tid/scr07a00/pdf Stabilized URL: http://www.industrydocuments.ucsf.edu/docs/hfxl0001

Year	Ohio Market Share (in Percentages)
1986	30.51
1987	31.72
1988	32.57
1989	36.19
1990	36.98
1991	38.73
1992	37.72
1993	40.50
1994	43.00
1995	43.6
1996	44.64
1997	45.51

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REQUEST FOR PRODUCTION NO. 50: For each year from 1954 to 1998, please provide all documents which describe, illustrate or depict market share for cigarettes, by company, in the United States.

RESPONSE: Philip Morris objects to this Request on the grounds that the terms "describe," "illustrate" or "depict" are vague and ambiguous. Philip Morris objects to this Request on the grounds that it is overly broad, unduly burdensome and seeks documents containing information that is neither relevant to the subject matter of this litigation nor reasonably calculated to lead to the discovery of admissible evidence. Philip Morris further objects to providing documents which describe, illustrate or depict the market share for cigarettes, by company" on the grounds that such documents are available to Plaintiffs from the other Defendants. Subject to and without waiving its specific and General Objections, Philip Morris provides the following summary of market share information for Philip Morris Incorporated in the United States for the years 1954 through 1997.

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Year	U.S. Market Share
1970	16.65
1971	18.20
1972	20.11
1973	21.54
1974	22.90
1975	23.96
1976	25.48
1977	26.62
1978	27.93
1979	29.01
1980	[illegible]
1981	[illegible]
1982	32.85
1983	34.41
1984	36.30
1985	35.91
1986	36.87
1987	37.82
1988	39.31
1989	41.93
1990	42.26
1991	43.34
1992	42.26
1993	42.21
1994	44.80

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Year	U.S. Market Share
1995	46.09
1996	47.77
1997	49.01

Respectfully submitted,

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Counsel for Philip Morris Incorporated

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ATTORNEY GENERAL'S OFFICE
SEATTLE

THE HONORABLE GEORGE A. FINKLE

SUPERIOR COURT OF WASHINGTON FOR KING COUNTY

STATE OF WASHINGTON,

Plaintiff,

v.

AMERICAN TOBACCO CO., INC.; BROWN & WILLIAMSON TOBACCO CORP.; LIGGETT & MYERS, INC.; LORILLARD TOBACCO CO., INC.; PHILIP MORRIS, INC.; R.J. REYNOLDS TOBACCO CO.; UNITED STATES TOBACCO CO.; B.A.T. INDUSTRIES, P.L.C.; HILL & KNOWLTON, INC.; THE COUNCIL FOR TOBACCO RESEARCH-U.S.A., INC.; SMOKELESS TOBACCO COUNCIL, INC.; TOBACCO INSTITUTE, INC.; foreign corporations; and unknown corporations; and JOHN DOE 1-100; and JANE DOE 1-100, individuals.

Defendants.

NO. 96-2-15056-8 SEA

DEFENDANT LORILLARD TOBACCO COMPANY'S ANSWERS TO PLAINTIFF'S FIRST SET OF INTERROGATORIES

COMES NOW, Lorillard Tobacco Company ("Lorillard") and responds to Plaintiff's First Set of Interrogatories ("Interrogatories") as follows:

GENERAL OBJECTIONS

A. Lorillard objects to these Interrogatories, and the definitions and instructions provided by plaintiff, to the extent they attempt to impose obligations on Lorillard other than those imposed or authorized by the Washington Rules of Civil Procedure.

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PLAINTIFF'S EXHIBIT 32

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ambiguous, indefinite and uncertain. Subject to and without waiving this objection, or its general objections, Lorillard states that to the extent this interrogatory seeks information concerning funds spent to reduce certain smoke components, to develop tobacco substitutes, or to generally reduce "tar" and nicotine yields, such funds constitute a significant portion of its total Research and Development expenditures. Lorillard' s total Research and Development expenditures for the years 1964 through 1995 are set forth in its response to Interrogatory No. 19.

INTERROGATORY NO. 21: Identify by year, from 1952 to the present, the total amount of funds spent by your company in the United States to prevent or discourage smoking or other tobacco use by persons age 18 and under.

ANSWER: Lorillard objects to this interrogatory because it is vague, ambiguous, overly broad, unduly burdensome and seeks information that is neither relevant to the subject matter of this lawsuit nor reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving these objections, or its general objections, Lorillard states that it has contributed funds to certain programs of the Tobacco Institute which are intended to prevent or discourage smoking by minors. Lorillard's share of expenses directed solely to those programs from 1983 to 1995 are listed below:

Year	Amount
1983	$ 7,283
1984	$150,922
1985	$196,724
1986	$ 84,824
1987	$ 43,840
1988	$ 36,016
1989	$ 4,947
1990	$ 95,823
1991	$317,520
1992	$244,622
1993	$148,148
1994	$ 4,518
1995	$295,320

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In addition, Lorillard has followed the cigarette industry's Cigarette Advertising Code, announced in 1964, which contains regulations on the content and placement of cigarette advertisements. The Code contains specific provisions intended to prevent advertisements that could be considered as directed to minors. Lorillard also has adhered to the Code of Cigarette Sampling Practices, which was formalized since at least 1983. This Code imposes standards which prohibit the distribution of cigarette samples to persons who are under 21 years of age. These Codes were combined in 1990 to become the Cigarette Advertising and Promotion Code. Lorillard has expended funds to ensure that it conforms to these Codes, but lacks sufficient information to quantify these expenditures.

INTERROGATORY NO. 22: Identify by year, for as far back as your company has records to the present, the total amount of funds spent by your company in the United States on the advertising, marketing or promotion of cigarettes or other tobacco products.

ANSWER: Lorillard objects to this interrogatory because it is vague, ambiguous, overly broad, unduly burdensome and seeks the discovery of information that is neither relevant to the subject matter of this lawsuit nor reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving these objections, or its general objections, Lorillard states that beginning in 1963, and for each year thereafter, Lorillard has provided to the United States Government information concerning its advertising, marketing or promotion expenditures. Lorillard' s total expenditures as provided to the government are set forth below.

Year	Total
1963	$ 37,766,757
1964	$ 35,373,309
1965	$ 37,095,072
1966	$ 38,613,711
1967	$ 46,718,685
1968	$ 44,024,023
1969[1]	
1970	$ 56,475,000

[1]Figures for 1969 currently are unavailable.

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1971	$ 32,616,966
1972	$ 32,790,992
1973	$ 30,705,000
1974	$ 37,118,000
1975	$ 74,037,000
1976	$ 83,334,000
1977	$ 97,084,000
1978	$ 113,837,000
1979	$ 176,197,000
1980	$ 172,232,000
1981	$ 178,624,000
1982	$ 167,313,000
1983	$ 256,388,000
1984	$ 213,907,000
1985	$ 200,978,000
1986	$ 196,174,000
1987	$ 205,753,000
1988	$ 256,408,000
1989	$ 271,289,000
1990	$ 333,338,000
1991	$ 314,076,000
1992	$ 333,020,000
1993	$ 364,324,000
1994	$ 298,678,017
1995	$ 311,487,207

INTERROGATORY NO. 23: Generally describe the purpose, organization and functioning of each of the following: Special Projects, non-CTR special projects, Special Account Projects and all Special Account numbers.

ANSWER: Lorillard objects to this interrogatory because the terms "Special Projects," "non-CTR special projects," "Special Account Projects," and "Special Account numbers" are undefined and therefore as used in this interrogatory are vague, ambiguous, indefinite and uncertain. Subject to and without waiving these objections, or its general objections, Lorillard states that certain research known as "CTR Special Projects" was funded through an account administered by the Council for Tobacco Research, U.S.A., Inc. ("CTR"). CTR Special Projects were first funded in 1966. These projects were different and separate in procedure, scope and substance from the research funded by the CTR Scientific Advisory Board ("SAB") grant program. In late 1965 -- following the 1964-65 congressional hearings that led to the Cigarette Labeling and Advertising Act and the release of the 1964 Surgeon General's Advisory

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Vello Norman
Vice President of Research & Development
420 English Street
Greensboro, North Carolina

Jack R. Reid
Director, Research
420 English Street
Greensboro, North Carolina

As to objections:

LANE POWELL SPEARS LUBERSKY LLP

By _____
Reed P. Schifferman

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Seattle, Washington 98101-2338
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SCHIFFERMAN

A copy of the foregoing was mailed postage prepaid this ___ day of _____, December, 1996, to:

Steve W. Berman, Esq.
HAGENS & BERMAN, P.S.
1301 Fifth Avenue, Suite 2929
Seattle, WA 98101

Jon P. Ferguson
Senior Counsel
Office of the Attorney General
900 Fourth Avenue, #2000
Seattle, WA 98164-1012

_____
Attorney for Defendant
Lorillard Tobacco Company

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VERIFICATION

Peter J. Marzullo being first duly sworn, deposes and says that he is the Assistant Treasurer and Assistant Secretary of Lorillard Tobacco Company ("Lorillard"); that he verifies for and on behalf of Lorillard the foregoing Answers of Lorillard to Plaintiff's First Set of Interrogatories; that he is duly authorized to do so; that the matters stated therein are not within his personal knowledge; but that he is informed and believes the information therein stated is true.

PETER J. MARZULLO
Assistant Treasurer and Assistant Secretary

Subscribed and sworn to before me, a notary public, this 5th day of December, 1996.

NOTARY PUBLIC

My commission expires 10/25/97

NOTARY PUBLIC, State of New York
No. 43-[illegible]
Qualified in Queens County
Certificate Filed in New York County
Commission Expires Oct. 25, 19[illegible]

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MANGINI

HUMPHREY

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Originals for Turk Test Market

Proposal

Presentation - May 4, 1973

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MEETING OBJECTIVES

1. To expose Management to the opportunity to aggressively position CAMEL FILTER against the young adult market (male).
2. To obtain Management agreement to proceed to develop formal test market plans.

MEETING FORMAT

1. Review the importance of the young adult segment.
2. Present the rationale supporting CAMEL FILTER as the Brand to target against young adults (male).
3. Present a prototype test market plan.
4. Discuss and agree to the proposal/next steps.

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I. Why CAMEL FILTER should address very target against the young-adult male market segment.

MANATINI

A. Importance of young-adults to the industry

1. The 18-34 year old group is a large and growing market segment.

HUMPHREY

18-34 Year Old Group as a % of Total Adult Population

1970	1980 (projected)
37%	42%

Projected Population Growth Rate

Age	1970-1980
Under 18 years	+ 3.2%
18-34	+32.8%
35 and over	+ 8.8%
Total U.S.	+12.7%

2. The 18-34 year old group has a higher incidence of smoking

Age	Smoking Incidence
18-34 years	42%
35-50	39%
Over 50	23%

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B. Importance of young-adult males to the 85mm NFF category

1. While the 85mm NFF category has experienced only slight growth in the past five years, preference among males 21-34 years old has shown substantial growth.

85mm NFF Share Trends

(%)

Share	1968	1969	1970	1971	1972
S.O.M. (comparative sales)	31.[illegible]	31.[illegible]	32.1	32.3	32.4
NFO - Total smokers	27.1	26.4	26.0	25.6	26.4
NFO - Male smokers	29.0	29.3	29.6	32.6	31.5
NFO - Smokers 18-34 years old	36.6	37.8	38.4	41.7	42.2

2. It is also interesting to note that 61% of males 14-20 years old prefer the 85mm NFF category.

3. As a result of this strong preference for the 85mm NFF category among young-adult males, males 14-34 years old represent approximately 35% of 85mm NFF smokers (at least 50% higher than total industry).

Age	% of Industry Smokers	% of 85mm NFF Smokers
Males 18-34 years old	19	30
Males 14-20	5	10

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3.

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C. The major growth brands in the industry (Marlboro and Kool) have been the ones which have successfully appealed to young-adults.

	NFO Share of Smokers by Age	
	Marlboro	Kool
Total smokers	9%	6%
18-20 years old	32%	16%
21-24	20%	9%
25-34	13%	6%
35-49	6%	5%
50 and over	4%	4%

	NFO Distribution of Smokers by Age		
	Marlboro	Kool	Industry
18-20	16.3%	13.3%	4.6%
21-24	13.3%	9.3%	5.8%
25-34	37.5%	27.7%	26.0%
35-49	18.6%	24.6%	29.8%
50 and over	14.3%	25.2%	33.8%

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D. CAMEL FILTERS' potential to expand the young-adult male segment

1. CAMEL FILTER'S Marketing Plan is presently targeted to this group in its advertising, sales promotions and special events activities.

2. CAMEL FILTER'S profile has a strong masculine skew.

Distribution of Smokers by Sex (%)

	CAMEL FILTER	85mm MFK Category
Males	82	56
Females	18	44
Total	100	100

3. While showing some recent signs of weakness, CAMEL FILTER has exhibited strength among young-adult males, particularly among those 18-20 years old.

CAMEL FILTER Share of Male Smokers Trend (%)

	Oct. 1971	Apr. 1972	Oct. 1972
Total smokers	1.0	1.0	1.0
Total male smokers	1.5	1.4	1.4
18-20 year old males	3.9	2.5	1.9
21-24 year old males	1.4	1.6	1.2
25-34 year old males	1.3	1.1	1.2
35-50	1.1	1.3	1.2
50 and over	1.8	1.6	1.8

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4. Previous substantial volume growth for CAMEL FILTER was accompanied by an increase in the 21-34 male group's share of total business.

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CAMEL FILTER Volume Percent Change
(Comparative Sales)

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Aug.-Oct. '68 vs '67	Aug.-Oct. '69 vs '68	Aug.-Oct. '70 vs '69	Aug.-Oct. '71 vs '70	Aug.-Oct. '72 vs '71
+5%	+15%	+21%	+15%	+2%

CAMEL FILTER Share Of Business Among Males 21-34 Years Old

HUMPHREY

Nov. '68	Oct. '69	Oct. '70	Oct. '71	Oct. '72
11.8%	18.8%	22.7%	26.7%	22.7%

5. Sales for CAMEL FILTER have exhibited positive momentum contrasted with competition, which is a favorable position from which to take an offensive posture against the young-adult male market.

Volume Percent Change Vs Year Ago
(1967-1972 (Tax Paid)

Brand	1968 vs 1967	1969 vs 1968	1970 vs 1969	1971 vs 1970	1972 vs 1971
CAMEL FILTER	+ 0.1	+11.6	+20.7	+15.7	+ 3.4
WINSTON (K & B)	- 0.8	- 3.4	+ 0.4	+ 1.4	+ 0.7
L&M	-11.1	-11.9	- 7.8	- 7.7	- 6.0
Viceroy (K)	- 1.0	- 9.2	- 2.4	- 3.6	- 4.4
Marlboro (K & B)	+12.3	+12.5	+16.0	+15.0	+13.0

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6. The greater incidence of switching among younger smokers suggests that an offensive posture against this group has the potential for success.

Age	NFO Percent Switched (Apr.-Oct. 1972
18-24 years old	25%
Over 24 years old	17%

MANCHINI

HUMPHREY

7. While major NFF brands are contributing to net switching for Marlboro, CAMEL FILTER is breaking even with Marlboro.

NFO Net Switching Gains For Marlboro
(Apr.-Oct. 1972)

WINSTON	+ 1.6%
L&M	+ .6%
Viceroy	+ .3%
CAMEL FILTER	
Other NFF	+ .6%
Total NFF	+ 3.1%
Total NF	+ .4%
Total Low Flavor	+ .5%
Total Menthol Filter	- .4%
(New Smokers)	(+10.3%)

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II. Why "Meet The Turk" Over Fifty Aggressively Target Against the Young Adult Male Market Segment.

MANCINI

A. Portfolio Results

1. Persuasiveness - "Turk" Significantly More Persuasive than "CYS" among total and younger smokers.

HUMPHREY

Net Advantage - Pre-To-Post Purchase Allocations, Next Ten Packs

	Total Who Saw Ad	CAMEL FILTER Smokers	18-29 Year Olds	35 & Over Year Olds
Meet The Turk Over Can You Spot	+ .14*	+ .46*	+ .30*	+ .00

*Significant at .80 level

2. Communication/Image

a. "Turk" generated greater playback of positive product attributes.

Playback of Product Attributes (%)

	Total Who Saw Ad		CAMEL FILTER Smokers		Age Of Smokers 18-29		35 & Over	
	Turk	CYS	Turk	CYS	Turk	CYS	Turk	CYS
Product Qualities (Net)	29	16	20	22	25	17	35	17
Satisfying/enjoyable/ pleasurable cigarette	9	2	2	-	9	2	10	3
Good/better cigarette	6	3	12	8	4	3	8	3
Tobacco (Sub-Net)	10	1	6	-	11	4	10	1
Turkish tobacco/Turkish tobacco blend	7	-	4	-	7	-	7	-
Good/better blend of tobaccos	2	*	2	-	2	1	2	-

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b) Turk generated greater playback of positive ad related and Brand related images.

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Ad/Brand Related Images

	Difference - "Turk" Vs. "CYS"*			
Ad Related Images	Total Sample	CF Smokers	18-29	35+
Up-to-date	+ .39	+ .23**	+ .59	+ .29
Honest straightforward ad	+ .72	+ .77	+ .50	+ .95
Liberal/anti-establishment	+ .36	+ .39	+ .47	+ .25**
Brand Related Images				
Honest/taste/rich tobacco quality	+ .29	+ .42	+ .53	+ .17**
Satisfying taste	+ .49	+ .72	+ .62	+ .45
For people who like real pleasure in cigarette	+ .29	+ .32**	+ .42	+ .24**
Makes me like brand more	+ .39	+ .37**	+ .52	+ .33

HUMPHREY

*Images rated on scale of 1-7 (disagreement-agreement). The numbers reflect the difference in the Turk rating vs. the "CYS" rating.

**Number is not significant.

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3. Image of CAMEL FILTER Man

The "Turk" image is compatible to the new conformist market segment (second largest market segment; greatest number of young-adults; greatest concentration for Marlboro) contrasting to the "CYS" Man's traditionalist image.

MANSHIP

Images Of Male Shown

(Difference - "Turk" Vs. "CYS")

HUMPHREY

	Total Sample	CF Smokers	18-29	35+
Pleasure before work	+33%	+38%	+31%	+35%
Marriage contract unnecessary	+28	+29	+23	+31
Leads exciting life	+20	+26	+25	+16
Woman's place is in home	-18	-24	-17	-19
Likes best things money can buy	-19	-19	-15	-21
Part of silent majority	-22	-25	-23	-23
Feels college is important	-27	-28	-29	-26
Punctual	-35	-29	-31	-40
Family oriented	-37	-40	-40	-41

4. Sensation Transfer Test - CAMEL FILTER smokers and younger smokers preferred the "Turk" blend to the "CYS" blend. (The only difference being the male model portrayed.)

B. DAR Results

1. Overall recall 9% (under 35 years - 12%, over 35 years - 3%).

2. Average recall score 5% - 6%.

3. Preliminary new campaign average - 7.4%.

C. Creative Evaluation - Similar to Marlboro

1. Imagery
2. Freedom
3. Independence
4. Masculinity
5. Fantasy

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III. "Can You Spot" vs. "Meet the Turk" Proposal

A. Retain "Can You Spot"

1. Excellent recall and depth of penetration.
2. Continuity of "Not For Everybody" campaign.
3. Cost efficient campaign.
4. No feedback on advertising awareness and attitudes.

B. Market Test "Meet the Turk"

1. Persuasive campaign.
2. Very targeted effort.
3. Opportunity for increased recall.
4. Investment spending.

C. Test Market - Preliminary Proposal

. Geographic Area		- California, Oregon, Washington
. Coverage		- 13.4% U.S.H.H.
. Duration	6	- 12 months
. Scope		- "Turk" to be substituted for "CYS" in total test area
		- Increased spending/aggressive marketing plan to be tested in 1-2 major markets within total test area:
. Rationale		- Ability to execute split runs in magazines dictates large geographic area
		- Large geographic area provides opportunity to conduct simultaneous tests in different markets:
		. "Turk" at current spending levels . Increased spending/aggressive plan
		- Broad coverage yields reliable results
	6	- 12 months considered necessary based on media constraints, competitive spending, low initial share base.

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IV. TEST MARKET PLAN (PRELIMINARY)

1. OBJECTIVES

- Marketing

. To achieve a significant increase in CAMEL FILTER growth rate and SOM.

	1971	1972	1973	Target
Growth	+15.7	+3.4	+4.9	+14 - 25
SOM	1.0	1.0	1.0	1.2 - 1.3

. To increase trial among new smokers/competitive smokers.

. To increase the Brand's switch-in rate and increase loyalty among current CAMEL FILTER smokers.

. To provide a viable competitive entry to Marlboro within the young adult segment.

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2. STRATEGY

- Marketing

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Position CAMEL FILTER against young adult males as the independent, honest, masculine cigarette.

WAGNER HUMPHREY

. Develop an image layer around the brand that reflects the attitudes, values and lifestyles of young adult males.

. Target marketing activities specifically against young adult male non-filter and normal flavor filter smokers.

. Spend at a rate that is judged sufficient to maximize reach, frequency and impact against this target market.

	Advertising	Promotion	Total
Current	$ 6.8MM	$ 1.1MM	$-7.9MM
Proposed	10.2MM	1.8MM	12.0MM
% Increase	+50%	+64%	+52%

. Spend 80% - 85% of total marketing funds in advertising utilizing "The Turk" as the core copy idea.

. Utilize media that effectively and efficiently reaches the young adult male target audience. Maximize both reach and frequency as practicable from an efficiency point of view.

. Spend 15% - 20% of total marketing funds in sales promotion activities. Promotional activity will be targeted to

- increase awareness and identification of the CAMEL FILTER image
- encourage trial among new smokers/competitive smokers
- enhance loyalty among current smokers.
- increase trade inventories and minimize O.O.S. conditions
- induce current Marlboro smokers to try/switch to CAMEL FILTER

. Consider the introduction of a box style for CAMEL FILTER to be trade stocked coincident with the start advertising date.

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4. MEDIA

MANKIEWICZ

We propose two plans to test the strength of the "Meet the Turk" campaign vs. the current "Can You Spot" campaign for CAMEL FILTERS.

HUMPHREY

. Plan I

- This plan would be a copy test in the three West Coast states: Washington, Oregon and California.
- Spending at the current national media level of $6.8MM, we could implement the following test schedule over a 12-month period:

Magazines	
24 monthlies	6 insertions
3 monthlies	3 insertions
2 weeklies	13 insertions
Newspapers	
(A) list	24 insertions
(B) list	12 insertions
Supplements	12 insertions

- Additional media spending in the test area will be approximately $300,000 to accommodate magazine plate change charges.

. Plan II

- One or two markets within the Plan I area will be selected for a 50% heavy-up spending test. Based on this proposal, our test national budget would be $10.2MM.
- In Los Angeles, for example, the current market budget is $390.0M. An additional $200,000 would be spent for test purposes in local media.
- The following is a breakout of this prototype test plan.

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HENRY-UP SPENDING TEST

$10.2 LEVEL

MANGINI

1st Qtr.	$100,000
50¢ 2/wos.	56,000
Newspapers	33,000
Local Media	11,000
2nd Qtr.	$ 50,000
50¢ 1/mo.	28,000
Newspapers	16,500
Local Media	5,500
3rd and 4th Qtrs.	$ 25,000
Newspapers	18,750
Local Media	6,250

HUMPHREY

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MANGINI

PENALTIES INCURRED THROUGH

SPLIT RUN MAGAZINE COPY

HUMPHREY

. Additional $290,000 plate-change charges

. Loss of cover positions

. Regional positioning inside book

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5. SALES PROMOTION/MERCHANDISING

(1) Introductory Promotion - Primary

MANGINI

- Objectives
  - . Generate increased awareness of "The Turk"
  - . Generate trial from new/competitive smokers
- Timing: coincident with introduction of "Turk" campaign

HUMPHREY

- Plan

Item	Purpose	Est. $ (Nat'l.)
. 3 ctn. display allowance	In-store display	$ 225M
. POS material	In-store display/merchandising	220M
. "MTT" buttons	Sales Force/retail personnel	5M
. Sales brochures	Trade presentation	5M
. Premium (at retail or mail in - free with POP)	Generate trial. Premium to tie to "Turk" image (e.g., medallion, belt buckle, record, watchband).	250M
		$ 705M

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(2) Media Promotion

- Objectives:
  - . Generate trial from new/competitive smokers
  - . Reward current CAMEL FILTER smokers
- Timing: 6-9 months after campaign introduction
- Plan

Item	Purpose	Est. $ (Nat'l.)
. Coupon	50¢ coupon good on carton purchase to be delivered in 50% magazine schedule. Redemption 3% - 32MM circ.	$ 510M
. "Turk Trips"	Sweepstakes prize - travel offer to be tied to "Turk" image (e.g., bicycle trip through Alps) - Overlay on 50¢ coupon offer in 50% magazine schedule. - Solo offer in 50% magazines.	50M
		$ 560M
(3) On-Going Promotion Costs		$ 575M
	Total Promotion	$1,840M

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6. PACKAGING

MANGHNI

- Objectives:

  . Maximize CAMEL FILTER'S product packaging appeal/relevancy among young adult male segment

  . Maximize aggressive test market/heavy spending at point of sale via packaging

  . Provide viable alternative product-packaging to Marlboro smokers

HUMPHREY

- Plan:

  . Consider introducing CAMEL FILTER box coincident with test market

- Rationale:

  . 54% of Marlboro King business currently in box style

  . Marlboro dominates box style sales (72%).

  . Current box purchaser profile consistent with CAMEL FILTER target market

    - male
    - younger
    - upscale

  . CAMEL FILTER box introduction can work synergistically with aggressive test market effort

- Considerations:

  . Ability to gain distribution
  . Box style (standard vs. new)
  . Cannibalization - profitability
  . Regional skews
  . 80mm or 85mm
  . Creative

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7. INCREMENTAL COSTS (TEST MARKET)

Area	Item/Description	Est. $ (Year)
	Non-Working Funds	
Marketing Research	. Sales (shipments, share vs. control)	$ 2,000
	. Group sessions	4,000
	. Advertising attitudes (pre and post)	6,000
	. Campaign communication/brand attitudes/ user image (pre and two post)	48,000
		$ 60,000
Media	. Plate change charges (split run)	290,000
Production	. "Turk" production	
	- print (6 ads ea. magazines and newspaper)	240,000
	- outdoor (3 executions 30-sheet)	20,000
	Total Non-Working	$610,000
	Working Funds	
Media	. Incremental spending in 1-2 major markets (based on increased national spending + $3.4MM).	$200,000
Promotion	. Incremental spending in 1-2 major markets (based on increased national spending + $.7MM).	$ 75,000
	Total Working	$275,000
	Total Incremental	$885,000

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PRELIMINARY TIMETABLE

Advertising

. Approval to execute copy (3 executions)	5/4
. Final copy approval (finished art & mechanical)	
- Magazine (initial execution)	5/14
- Outdoor	6/18
- Newspaper	7/9
. Closings	
- Magazine	6/11
- Outdoor	7/16
- Newspaper	8/1
. Start Advertising	
- Outdoor	8/5
- Magazines	8/15
- Newspaper	8/15

Promotion

. Approve concept/order paper and board	5/29
. Approve final art	6/29
. Announce POS to field	8/10
. POS in field	8/31
. Down the Street	9/17

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SUMMARY/NEXT STEPS

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Summary

- Young adults represent important market segment today and for the future.
- CAMEL FILTER has opportunity to aggressively position itself against the young adult male segment.
- The Product Group and Agency recommends a major test market effort to confirm this opportunity.

HUMPHREY

Next Steps

- Develop detailed test market plan.
- Obtain immediate approval to produce 3 executions of "Turk" campaign.
- Obtain formal Management approval to plan.

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Reducing the Health Consequences of Smoking

25 YEARS OF PROGRESS

a report of the Surgeon General

1989

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Public Health Service
Centers for Disease Control
Center for Chronic Disease Prevention and Health Promotion
Office on Smoking and Health
Rockville, Maryland 20857

PLAINTIFFS EXHIBIT

PLAINTIFFS EXHIBIT

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BEST IMAGE

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Reducing the Health Consequences of Smoking

25 YEARS OF PROGRESS

a report of the Surgeon General

1989

Executive Summary

Suggested Citation

U.S. Department of Health and Human Services. *Reducing the Health Consequences of Smoking: 25 Years of Progress. A Report of the Surgeon General.* U.S. Department of Health and Human Services, Public Health Service, Centers for Disease Control, Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health. DHHS Publication No. (CDC) 89-8411, 1989.

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Public Health Service
Centers for Disease Control
Center for Chronic Disease Prevention and Health Promotion
Office on Smoking and Health
Rockville, Maryland 20857

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THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

DEC 20 1988

The Honorable Jim Wright
Speaker of the House
of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

I am pleased to transmit to the Congress the 1989 Surgeon General's Report on the health consequences of smoking, as mandated by Section 8(a) of the Public Health Cigarette Smoking Act of 1969. The report was prepared by the Centers for Disease Control's Office on Smoking and Health.

This report, entitled Reducing the Health Consequences of Smoking: 25 Years of Progress, examines the fundamental developments over the past quarter century in smoking prevalence and in mortality caused by smoking. It highlights important gains in preventing smoking and smoking-related disease, reviews changes in programs and policies designed to reduce smoking, and emphasizes sources of continuing concern and remaining challenges.

During the past 25 years, smoking behavior has changed dramatically. Nearly half of all living adults who ever smoked have quit. The prevalence of smoking has declined steadily, with a particularly impressive decline among men. Smoking prevalence among men decreased from 50 percent in 1965 to 32 percent in 1987. As a result, lung cancer mortality rates among men are now leveling off after many decades of consistent increase. Despite this progress, the prevalence of smoking remains higher among blacks, blue-collar workers, and less-educated persons, than in the overall population. Smoking among high school seniors leveled off from 1981 through 1987 after previous years of decline.

In 1985, the last year for which estimates are available, approximately 390,000 Americans died as the result of past and current smoking. This represents more than one of every six deaths in the United States. Smoking remains the single most important preventable cause of death in our society.

To maintain our momentum toward a smoke-free society, we must focus our efforts on preventing smoking initiation and encouraging smoking cessation among high-risk populations. Increased public information activities, smoking prevention and cessation programs, and policies that encourage nonsmoking behavior should be pursued. Unless we meet this challenge successfully, smoking-related mortality will remain high well into the 21st Century.

Sincerely,

Otis R. Bowen, M.D.
Secretary

Enclosure

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THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

DEC 29 1989

The Honorable George Bush
President of the Senate
Washington, D.C. 20515

Dear Mr. President:

It is my pleasure to transmit to the Congress the 1989 Surgeon General's Report on the health consequences of smoking, as mandated by Section 8(a) of the Public Health Cigarette Smoking Act of 1969. The report was prepared by the Centers for Disease Control's Office on Smoking and Health.

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Sincerely,

Otis R. Bowen, M.D.
Secretary

Enclosure

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FOREWORD

Twenty-five years have elapsed since publication of the landmark report of the Surgeon General's Advisory Committee on Smoking and Health. By any measure, these 25 years have witnessed dramatic changes in attitudes toward and use of tobacco in the United States. The health consequences of tobacco use will be with us for many years to come, but those consequences have been greatly reduced by the social revolution that has occurred during this period with regard to smoking.

Since 1964, substantial changes have occurred in scientific knowledge of the health hazards of smoking, in the impact of smoking on mortality, in public knowledge of the dangers of smoking, in the prevalence of smoking and using other forms of tobacco, in the availability of programs to help smokers quit, and in the number of policies that encourage nonsmoking behavior and protect nonsmokers from exposure to environmental tobacco smoke. These changes and other significant developments, as well as the overall impact of the Nation's antismoking activities, are reviewed in detail in the individual chapters of this Report. Based on this review, five major conclusions of the entire Report were reached. The first two conclusions highlight important gains in preventing smoking and smoking-related disease in the United States. The last three conclusions emphasize sources of continuing concern and remaining challenges. The conclusions are:

1. The prevalence of smoking among adults decreased from 40 percent in 1965 to 29 percent in 1987. Nearly half of all living adults who ever smoked have quit.
2. Between 1964 and 1985, approximately three-quarters of a million smoking-related deaths were avoided or postponed as a result of decisions to quit smoking or not to start. Each of these avoided or postponed deaths represented an average gain in life expectancy of two decades.
3. The prevalence of smoking remains higher among blacks, blue-collar workers, and less educated persons than in the overall population. The decline in smoking has been substantially slower among women than among men.
4. Smoking begins primarily during childhood and adolescence. The age of initiation has fallen over time, particularly among females. Smoking among high school seniors leveled off from 1980 through 1987 after previous years of decline.
5. Smoking is responsible for more than one of every six deaths in the United States. Smoking remains the single most important preventable cause of death in our society.

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The last 25 years have witnessed phenomenal changes in the way Americans think about tobacco use. More people now than ever before consider smoking to be outside the social norm. Antismoking programs and policies have contributed to this change. This shift in societal attitudes is almost certain to generate additional efforts to further limit the use of tobacco.

Almost half of all living Americans who ever smoked have quit. This is especially remarkable when one takes into account the powerful media images enticing people to smoke and the powerfully addictive nature of nicotine. As the downward trends in smoking behavior continue, we can expect to see a decline in the number of premature deaths and avoidable morbidity due to smoking.

For now, however, we must recognize that continued tobacco exposure in the population will cause a great deal of human suffering for many decades. Thus, we must not rest upon the laurels of the past quarter century. As long as children and adolescents continue to find reasons to use tobacco, replacements will be recruited for at least some of the smokers who quit or who die prematurely. If current trends continue, these replacements will be found disproportionately among minority groups, among the less educated, among the most economically disadvantaged, and among women.

We must look back on the last 25 years of change in order to look forward to our tasks for the future. Surely those tasks include expanding educational efforts for the young and old alike, restrictions against minors' access to tobacco, support for cessation activities, and restrictions against smoking in worksites, restaurants, transportation vehicles, and other public places.

The Public Health Service is dedicated to continuing the legacy of the 1964 Report. We hope this 25th Anniversary Report will stimulate new commitment to action by public health officials, civic leaders, educators, scientists, and the public at large on the problem of tobacco use, especially among children, adolescents, and high-risk groups.

Robert E. Windom, M.D.
Assistant Secretary for Health
Public Health Service

James O. Mason, M.D., Dr.P.H.
Director
Centers for Disease Control

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PREFACE

Exactly 25 years ago, on January 11, 1964, Luther L. Terry, M.D., Surgeon General of the U.S. Public Health Service, released the report of the Surgeon General's Advisory Committee on Smoking and Health. That landmark document, now referred to as the first Surgeon General's Report on Smoking and Health, was America's first widely publicized official recognition that cigarette smoking is a cause of cancer and other serious diseases.

On the basis of more than 7,000 articles relating to smoking and disease already available at that time in the biomedical literature, the Advisory Committee concluded that cigarette smoking is a cause of lung cancer and laryngeal cancer in men, a probable cause of lung cancer in women, and the most important cause of chronic bronchitis. The Committee stated that "Cigarette smoking is a health hazard of sufficient importance in the United States to warrant appropriate remedial action."

What would constitute "appropriate remedial action" was left unspecified. But the release of the report was the first in a series of steps, still being taken 25 years later, to diminish the impact of tobacco use on the health of the American people.

This 1989 Report, the 20th in a series of Surgeon General's Reports on the Health Consequences of Smoking, spells out the dramatic progress that has been achieved in the past quarter century against one of our deadliest risks.

The circumstances surrounding the release of the first report in 1964 are worth remembering. The date chosen was a Saturday morning, to guard against a precipitous reaction on Wall Street. An auditorium in the State Department was selected because its security could be assured—it had been the site for press conferences of the late President John F. Kennedy, whose assassination had occurred less than 2 months earlier.

The first two copies of the 387-page, brown-covered Report were hand delivered to the West Wing of the White House at 7:30 on that Saturday morning. At 9:00, accredited press representatives were admitted to the auditorium and "locked in," without access to telephones. Surgeon General Terry and his Advisory Committee took their seats on the platform. The Report was distributed and reporters were allowed 90 minutes to read it. Questions were answered by Dr. Terry and his Committee members. Finally, the doors were opened and the news was spread. For several days, the Report furnished newspaper headlines across the country and lead stories on television newscasts. Later it was ranked among the top news stories of 1964.

During the quarter century that has elapsed since that Report, individual citizens, private organizations, public agencies, and elected officials have tirelessly pursued the Advisory Committee's call for "appropriate remedial action." Early on, the U.S. Congress adopted the Federal Cigarette Labeling and Advertising Act of 1965 and the

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ublic Health Cigarette Smoking Act of 1969. These laws required a health warn on cigarette packages, banned cigarette advertising in the broadcast media, and called for an annual report on the health consequences of smoking.

In 1964, the Public Health Service established a small unit called the National Clearinghouse for Smoking and Health (NCSH). Through the years, the Clearinghouse and its successor organization, the Office on Smoking and Health, have been responsible for the 20 reports on the health consequences of smoking previously mentioned, eight of which have been issued during my tenure as Surgeon General. In close cooperation with voluntary health organizations, the Public Health Service has supported highly successful school and community programs on smoking and health, has disseminated research findings related to tobacco use, and has ensured the continued public visibility of antismoking messages.

Throughout this period, tremendous changes have occurred. As detailed in this Report, we have witnessed expansion in scientific knowledge of the health hazards of smoking, growing public knowledge of the dangers of smoking, increased availability of programs to prevent young people from starting to smoke and to help smokers quit, and widespread adoption of policies that discourage the use of tobacco.

Most important, these developments have changed the way in which our society views smoking. In the 1940s and 1950s, smoking was chic; now, increasingly, it is shunned. Movie stars, sports heroes, and other celebrities used to appear in cigarette advertisements. Today, actors, athletes, public figures, and political candidates are rarely seen smoking. The ashtray is following the spittoon into oblivion.

Within this evolving social milieu, the population has been giving up smoking in increasing numbers. Nearly half of all living adults who ever smoked have quit. The most impressive decline in smoking has occurred among men. Smoking prevalence among men has fallen from 50 percent in 1965 to 32 percent in 1987. These changes represent nothing less than a revolution in behavior.

The antismoking campaign has been a major public health success. Those who have participated in this campaign can take tremendous pride in the progress that has been made.

The analysis in this Report shows that in the absence of the campaign, there would have been 91 million American smokers (15 to 84 years of age) in 1985 instead of 56 million. As a result of decisions to quit smoking or not to start, an estimated 789,000 smoking-related deaths were avoided or postponed between 1964 and 1985. Furthermore, these decisions will result in the avoidance or postponement of an estimated 2.1 million smoking-related deaths between 1986 and the year 2000.

This achievement has few parallels in the history of public health. It was accomplished despite the addictive nature of tobacco and the powerful economic forces promoting its use.

The Remaining Challenges

Despite this achievement, smoking will continue as the leading cause of preventable, premature death for many years to come, even if all smokers were to quit today. Smoking cessation is clearly beneficial in reducing the risk of dying from smoking-related diseases. However, for some diseases, such as lung cancer and emphysema, quitting may not reduce the risk to the level of a lifetime nonsmoker even after many years of abstinence. This residual health risk is one reason why approximately 390,000 Americans died in 1985 as the result of smoking, even after two decades of declining smoking rates.

The critical message here is that progress in curtailing smoking must continue, and ideally accelerate, to enable us to turn smoking-related mortality around. Otherwise, the disease impact of smoking will remain high well into the 21st century.

Just maintaining the current rate of progress is a challenge. Compared with nonsmokers, smokers are disproportionately found in groups that are harder to reach, and this disparity may increase over time. Greater effort and resources will need to be devoted to achieve equivalent reductions in smoking among those whose behavior has survived strong, countervailing social pressures.

Today, thanks to the remarkable progress of the past 25 years, we can dare to envision a smoke-free society. Indeed it can be said that the social tide is flowing toward that bold objective. To maintain momentum, we need to direct special attention to the following groups within our society:

Children and Adolescents

As a pediatric surgeon, and now as Surgeon General, I have dedicated my career to protecting the health of children. In the case of smoking, children and adolescents hold the key to progress toward curbing tobacco use in future generations.

If the adult rate of smoking were to continue at the present level, the impact of smoking on the future health and welfare of today's children would be enormous. Research has shown that one-fourth or more of all regular cigarette smokers die of smoking-related diseases. If 20 million of the 70 million children now living in the United States smoke cigarettes as adults (about 29 percent), then at least 5 million of them will die of smoking-related diseases. This figure should alarm anyone who is concerned with the future health of today's children.

Two additional factors make smoking among young people a preeminent public health concern: (1) the age of initiation of smoking, and (2) nicotine addiction. As this Report shows, four-fifths of smokers born since 1935 started smoking before age 21. The proportion of smokers who begin smoking during adolescence has been increasing over time, particularly among women.

In the Teenage Smoking Survey conducted by the Department of Health, Education, and Welfare in 1979, respondents were asked, "What would you say is the possibility that five years from now you will be a cigarette smoker?" Among smokers, half answered "definitely not" or "probably not." This response suggests that many children and adolescents are unaware of, or underestimate, the addictive nature of smoking. The predecessor to this volume, *The Health Consequences of Smoking: Nicotine Addiction*, provided a comprehensive review of the evidence that cigarettes and other forms of tobacco are addicting and that nicotine is the drug in tobacco that causes addiction.

These two factors refute the argument that smoking is a matter of free choice. Most smokers start smoking as teenagers and then become addicted. By the time smokers

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become adults, when they would be expected to have greater appreciation of the health effects of smoking, many have difficulty quitting. Today, 80 percent of smokers say they would like to quit; two-thirds of smokers have made at least one serious attempt to quit. Characteristically, people quit smoking several times before becoming permanent ex-smokers.

The prevalence of daily smoking among high school seniors leveled off from 1981 through 1987, at about 20 percent, after previous years of decline. Each day, more than 3,000 American teenagers start smoking. If we can substantially reduce this number, we will soon achieve a major impact on smoking prevalence among adults. Although research efforts in prevention are increasing, prevention programs are not yet reaching large numbers of young people. The public health community should pay at least as much attention to the prevention of smoking among teenagers as it now pays to smoking cessation among adults. Comprehensive school health education, incorporating tobacco use prevention, should be provided in every school throughout the country.

Women

Since release of the first Surgeon General's Report, the prevalence of smoking among women has declined much more slowly than among men. If current trends continue, smoking rates will be about equal among men and women in the mid-1990s, after which women may smoke at a higher rate than men.

The public health impact of this trend is already being seen. Lung cancer mortality rates are increasing steadily among women, and estimates by the American Cancer Society indicate that this disease has now overtaken breast cancer as the number one cause of cancer death among women. Smoking during pregnancy poses special risks to the developing fetus and is an important cause of low birthweight and infant mortality. Smoking and oral contraceptive use interact to increase dramatically the risk of cardiovascular disease. Women's organizations and women's magazines have paid scant attention to these issues.

The key to addressing this problem is the prevention of smoking among female adolescents. The disparity in smoking prevalence between men and women is primarily a reflection of differences in smoking initiation. Smoking initiation has declined much more slowly among females than among males. This difference is due, in large part, to increasing initiation rates among less educated young women. Among high school seniors, the prevalence of daily smoking has been higher among females than among males each year since 1977.

In summary, women, and especially female adolescents not planning higher education, are an important target group for prevention activities.

Minorities

Smoking rates are higher in certain racial and ethnic minority groups, many of which already suffer from a disproportionate share of risk factors and illness. In particular, smoking prevalence has been consistently higher among black men than among white men (41 and 31 percent, respectively, in 1987). In addition, the limited data available show higher rates of smoking among Hispanic men than among white men.

Trends in smoking initiation, prevalence, and quitting among blacks and whites show similar rates of change from 1974 to 1985. Thus, the gap in smoking prevalence between blacks and whites is not widening. However, to reduce the gap in smoking between blacks and whites, prevention efforts must focus on blacks more successfully. The public health community is only now beginning to address this problem. The urgency of the situation is greater because cigarette companies are increasingly targeting their marketing efforts at blacks and Hispanics.

Blue-Collar Workers

The prevalence of smoking has been consistently higher among blue-collar workers than among white-collar workers. In 1985, 40 percent of blue-collar workers smoked compared with 28 percent of white-collar workers. Again, blue-collar workers are a major target of cigarette company advertising and promotional campaigns. Worksite smoking cessation programs, employee incentive programs, and policies banning or restricting smoking at the workplace are effective strategies to reach this group.

Toward a Smoke-Free Future

Because the general health risks of smoking are well known, because smoking is banned or restricted in a growing number of public places and worksites, and because smoking is losing its social acceptability, the overall prevalence of smoking in our society is likely to continue to decline. The progress we have achieved during the past quarter century is impressive.

Equally impressive, however, are the challenges we face. During the next quarter century and beyond, progress will be slow, and smoking-related mortality will remain high, unless the health community more effectively reaches children and adolescents, women, minorities, and blue-collar workers. Organizations that represent these groups can contribute substantially to the antismoking movement. In large part, the future health of these populations will depend on the degree to which schools, educators, parents' organizations, women's groups, minority organizations, employers, and employee unions join the campaign for a smoke-free society. Here in the United States, such a society is an attainable long-term goal.

Unfortunately, the looming epidemic of smoking and smoking-related disease in developing countries does not encourage similar optimism. According to the World Health Organization, increases in cigarette consumption between 1971 and 1981 exceeded population growth in all developing regions: by 77 percent in Africa, and by 30 percent in Asia and Latin America.

The topic of tobacco and health internationally, although critically important, especially for developing nations, is beyond the scope of this Report. I can only hope that

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solute difference (in percentage points) between the two groups remained constant between 1976 and 1987. In 1987, the prevalence of daily smokers among those with plans for higher education was less than half the prevalence among those without such plans (14 percent versus 30 percent).

The percentage of blacks who smoke on a daily basis exceeded the percentage of whites in 1976 (13 and 10 percent, respectively), but was lower than the percentage of whites in 1987 (6 and 12 percent, respectively). The percentage who have previously smoked but not in the past month has consistently been slightly higher among blacks than among whites and among those with plans for higher education than among those without college plans. Besides these findings, there have been few differences between subgroups and few changes between 1976 and 1987 in the proportion of high school seniors who are in these categories.

As mentioned above, the decrease in the proportion of high school seniors who smoke on a daily basis is reflected by a complementary increase in the proportion of high school seniors who have never smoked. This increase has been more marked among males compared with females and among blacks compared with whites.

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1987 National Adolescent Student Health Survey

The 1987 NASHS collected data on prevalence of smoking within the last 30 days (US DHHS, in press,b). Respondents to this survey composed a random sample of the Nation's students in 8th and 10th grades. Sixty-three percent of the 8th graders were 13 years old and 27 percent were 14 years old. Sixty-two percent of the 10th graders were 15 years old and 28 percent were 16 years old. For each grade, 68 percent were white, 17 percent were black, and 9 percent were Hispanic.

Prevalence data are presented in Table 21. Eighty-four percent of the eighth graders reported that they had not even puffed on a cigarette in the last 30 days, with little difference between the sexes. Forty-nine percent of all eighth graders reported never having smoked a cigarette, with no difference between the sexes. Among 10th graders, the proportion not having puffed on a cigarette in the last 30 days was slightly lower: 76 percent among males and 71 percent among females. Thirty-eight percent of males and 36 percent of females in this grade reported that they had never had a cigarette.

TABLE 21.—30-day prevalence of smoking (%), United States, 1987, 8th and 10th grades

	8th grade		10th grade	
	Males	Females	Males	Females
Not even a puff	84.9	83.0	75.9	71.3
1–4 cigarettes	7.1	8.2	7.8	10.4
5–19 cigarettes	2.7	3.4	4.8	5.1
1–5 packs	2.4	3.5	5.6	7.4
More than 5 packs	2.9	1.9	6.0	5.8

SOURCE: National Adolescent Student Health Survey 1987 (US DHHS, in press, b).

Approximately equal proportions (7 to 8 percent) of males and females in the eighth grade reported smoking a pack or more in the last month. Among 10th graders, this proportion was more than twice as high, with 17 percent of males and 19 percent of females reporting that they smoked a pack or more in the last month.

US. DHEW Teenage Smoking Surveys, 1968–79

Detailed questions on smoking were asked in five national telephone surveys of adolescents (ages 12 to 18 years) conducted by Chilton Research Services for the U.S. Department of Health, Education, and Welfare from 1968 through 1979 (US DHEW 1979b). Adolescents were classified by smoking status as follows: *never smokers*, had not taken even a few puffs of a cigarette; *experimental smokers*, had had a few puffs but had not smoked as many as 100 cigarettes; *ex-smokers*, had smoked at least 100 cigarettes but no longer smoked; *current occasional smokers*, smoked less than one cigarette per week; and *current regular smokers*, smoked at least one cigarette per week. In published results for these surveys, data for never smokers and experimental smokers were generally aggregated.

Summary data from each of the surveys are presented in Table 22 (males) and Table 23 (females). The proportion of both males and females of each age group who are classified as either never smokers or experimental smokers is substantially higher than the proportion of never smokers reported by other surveys. For example, the 1979 Teenage Smoking Survey showed that 75 percent of males and 82 percent of females aged 15 to 16 years had never smoked or had only experimented with cigarettes; in contrast, the 1987 NASHS (above) showed that only 38 percent of males and 36 percent of females in the 10th grade (15 to 16 years old) had never had a cigarette. Similarly, the 1979 Teenage Smoking Survey showed that 68 percent of males and 64 percent of females aged 17 to 18 years were either never smokers or experimental smokers; in contrast, the 1979 High School Seniors Survey showed that 27 percent of males and 25 percent of females were never smokers.

There are at least two possible explanations for the consistently and surprisingly high proportion of teenagers in the categories of never smokers and experimental smokers. First, 100 cigarettes may be too high a cutoff to use for classifying teenagers as never smokers or experimenters. Second, telephone interviewing may lead to more underreporting of cigarette smoking behavior than other survey modalities. Underreporting may be more important for some smoking categories than others—for instance, occasional smokers might be particularly sensitive about their smoking behavior and might be more likely to underreport the total number of cigarettes they have ever smoked.

Current smoking rates can also be compared between the Teenage Smoking Surveys and the High School Seniors Surveys. In the 1979 telephone survey, teenagers were classified on their reported smoking on a weekly basis. Of males aged 17 to 18 years, 19.3 percent were classified as current regular smokers (one or more cigarettes per week) and another 0.3 percent were classified as current occasional smokers (less than one cigarette per week). For females aged 17 to 18 years, these figures were 26.2 percent and 0.8 percent, respectively. In the High School Seniors Survey, students are

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TABLE 22.—Cigarette smoking among teenage males, United States, 1968–79

Smoking status	Year	Age 12–14 years N	12–14 years %	15–16 years N	15–16 years %	17–18 years N	17–18 years %	Total N	Total %
Never smoked or experimented only	1968	876	93.1	465	75.2	344	54.7	1,685	77.0
	1970	512	90.5	268	70.5	178	48.1	958	72.8
	1972	533	91.1	273	68.3	211	54.4	1,017	74.1
	1974	496	90.7	253	69.5	202	55.3	951	74.5
	1979	527	92.8	284	75.3	254	68.1	1,065	80.8
Former smoker	1968	25	2.7	34	5.5	71	11.3	130	5.9
	1970	21	3.7	35	9.2	52	14.1	108	8.2
	1972	20	3.4	50	12.5	56	14.4	126	9.2
	1974	28	5.1	45	12.4	44	12.1	117	9.2
	1979	23	4.0	38	10.1	46	12.3	107	8.1
Current occasional smoker	1968	13	1.4	14	2.3	24	3.8	51	2.3
	1970	1	0.2	3	0.8	2	0.5	6	0.5
	1972	5	0.9	6	1.5	4	1.0	15	1.1
	1974	0	0.0	0	0.0	6	1.6	6	0.5
	1979	0	0.0	4	1.1	1	0.3	5	0.4

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TABLE 22.—Continued

Smoking status	Year	Age 12–14 years N	12–14 years %	15–16 years N	15–16 years %	17–18 years N	17–18 years %	Total N	Total %
Current regular smoker	1968	27	2.9	105	17.0	190	30.2	322	14.7
	1970	32	5.7	74	19.5	138	37.3	244	18.5
	1972	27	4.6	71	17.8	117	30.2	215	15.7
	1974	23	4.2	66	18.1	113	31.0	202	15.8
	1979	18	3.2	51	13.5	72	19.3	141	10.7
Total	1968	941	100	618	100	629	100	2,188	100
	1970	566	100	380	100	370	100	1,316	100
	1972	585	100	400	100	388	100	1,373	100
	1974	547	100	364	100	365	100	1,276	100
	1979	568	100	377	100	373	100	1,318	100

SOURCE: US DHEW Teenage Smoking Surveys, 1968, 1970, 1972, 1974, 1979 (US DHEW 1979b).

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TABLE 23.—Cigarette smoking among teenage females, United States, 1968–79

Smoking status	Year	Age 12–14 years N	12–14 years %	15–16 years N	15–16 years %	17–18 years N	17–18 years %	Total N	Total %
Never smoked or experimented only	1968	919	97.9	552	84.4	462	73.0	1,933	86.8
	1970	536	95.0	312	81.5	264	70.0	1,112	84.0
	1972	569	95.3	312	77.0	277	66.7	1,158	81.7
	1974	495	90.2	250	69.3	228	62.1	973	76.2
	1979	514	92.3	319	81.8	239	63.9	1,072	81.2
Former smoker	1968	7	0.7	25	3.8	38	6.0	70	3.1
	1970	8	1.4	15	3.9	22	5.8	45	3.4
	1972	11	1.8	26	6.4	30	7.2	67	4.7
	1974	26	4.7	33	9.1	42	11.4	101	7.9
	1979	19	3.4	23	5.9	34	9.1	76	5.8
Current occasional smoker	1968	7	0.7	14	2.1	15	2.4	36	1.6
	1970	3	0.5	1	0.3	5	1.3	9	0.7
	1972	0	0.0	1	0.2	3	0.7	4	0.3
	1974	1	0.2	5	1.4	2	0.5	8	0.6
	1979	0	0.0	2	0.5	3	0.8	5	0.4

TABLE 23.—Continued

Smoking status	Year	Age 12–14 years N	12–14 years %	15–16 years N	15–16 years %	17–18 years N	17–18 years %	Total N	Total %
Current regular smoker	1968	6	0.6	63	9.6	118	18.6	187	8.4
	1970	17	3.0	55	14.4	86	22.8	158	11.9
	1972	17	2.8	66	16.3	105	25.3	188	13.3
	1974	27	4.9	73	20.2	95	25.9	195	15.3
	1979	24	4.3	46	11.8	98	26.2	168	12.7
Total	1968	939	100	654	100	633	100	2,226	100
	1970	564	100	383	100	377	100	1,324	100
	1972	597	100	405	100	415	100	1,417	100
	1974	549	100	361	100	367	100	1,277	100
	1979	557	100	390	100	374	100	1,321	100

SOURCE: US DHEW Teenage Smoking Surveys, 1968, 1970, 1972, 1974, 1979 (US DHEW 1979b).

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classified based on their reported smoking during the past 30 days. In the 1987 High School Seniors Survey (Table 22), 22 percent of males were classified as daily smokers and another 9 percent reported having smoked in the last month but not on a daily basis. In the same year, 29 percent of females were daily smokers and 9 percent smoked on less than a daily basis.

Comparing these two data sets shows that the telephone survey obtained lower estimates for *weekly* smoking than the school survey obtained for *daily* smoking (19 vs. 22 percent for males, 26 vs. 28 percent for females). The remaining current smokers (defined as less than one cigarette per week in the telephone survey and less than one per day in the school survey) were also estimated at lower rates in the telephone survey (0.3 vs. 9 percent for males, 0.8 vs. 9 percent for females). This suggests that the telephone survey underestimated both the number of daily smokers and the number of less-than-daily smokers. Most of the discrepancy appears to be due to a failure to identify the latter. It is unclear whether this difference is related to the system of classifying smokers or the telephone survey methodology.

NIDA National Household Surveys on Drug Abuse: 1979-1985

NIDA conducted household surveys on drug abuse in 1979, 1982, and 1985. For each of these surveys, data were obtained from a stratified random sample of 8,000 U.S. households; approximately 2,000 in-person interviews were conducted with respondents in the 12- to 17-year-old age group. Questions included whether any cigarettes were smoked within 30 days as well as within the previous year. These surveys indicated that approximately 26 percent of the teenage population surveyed smoked at least one cigarette at some time during 1985 (Table 24). In 1985, 15.6 percent of this population had smoked within the previous month. Comparisons between data from the 1979 household survey and data from the more recent surveys are not appropriate, because in 1979 prevalence of use within the past year or past month was reported only for those who had smoked 100 cigarettes in their lifetime; this lifetime cutoff was not used in the later surveys.

TABLE 24.—Prevalence (%) of cigarette use among youth 12 to 17 years of age, 1979, 1982, and 1985, United States

Survey year	Any use in last year	Used in last 30 days
1979[a]	13.3	12.1
1982	24.8	14.7
1985	26.0	15.6

[a]The 1979 estimates are not necessarily comparable to later estimates because the 1979 survey asked questions only of those who had smoked 100 cigarettes in their lifetime.

SOURCE: NIDA National Household Surveys on Drug Abuse 1979, 1982, 1985 (US DHHS 1988).

Summary

Several national surveys provide information on adolescent smoking. These surveys vary substantially in sample size, methodology, definitions of smoking, ages of respondents, and other factors that may appreciably affect prevalence estimates.

The best trend data are available from the annual high school seniors survey. This survey shows that prevalence of daily cigarette consumption declined from 29 percent of seniors in 1976 to 21 percent in 1980, after which prevalence leveled off at 18 to 21 percent. Smoking prevalence among females has consistently exceeded that among males since 1977. The leveling off of smoking prevalence among high school seniors raises concern that the steadily declining initiation rates as determined by prevalence among adults aged 20 to 24 (NHIS) may soon level off as well.

Smoking prevalence has been consistently lower for high school seniors with plans to pursue higher education than for those without such plans. In 1987, smoking rates were 14 and 30 percent in these two groups, respectively.

Differences in prevalence of smoking and smokeless tobacco use (see below) between young males and young females suggest that the prevalence of any tobacco use is similar in these two groups. Whereas the prevalence of smoking is higher among young high school seniors than among males, the prevalence of smokeless tobacco use is higher among young males than among young females.

Changes in the Types of Cigarettes Smoked

Data on the market share of filter and nonfilter cigarettes, cigarettes of different machine-determined "tar" and nicotine yields, menthol and nonmenthol cigarettes, and cigarettes of different length have been published by the Federal Trade Commission (FTC) from information supplied to the agency by the major cigarette companies.

Filtered Cigarettes

Filters are the design characteristic of commercial cigarettes that most affects their machine-measured yield of harmful constituents (US DHHS 1981). Filters selectively remove nitrosamines and semivolatile phenols from smoke. Thus, filters affect not only the absolute amounts of these constituents delivered in smoke but also their relative concentrations in cigarette "tar."

Since the early 1950s, the proportion of cigarettes in the United States sold as filtered cigarettes has increased steadily. In 1950, less than 1 percent of cigarettes sold in the United States were filtered. That proportion rose to 19 percent in 1955, 51 percent in 1960, and 94 percent in 1986 (Table 25).

Low-Tar, Low-Nicotine Cigarettes

Trends in the sales-weighted average yield of tar and nicotine for cigarettes sold in the United States are shown in Figure 14 of Chapter 2. The sales-weighted average is based on the tar and nicotine yield of specific brands (as measured by the FTC machine-

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July 31, 1980

TO: Mr. J. B. [illegible]rt

SUBJECT: Addendum for Report "TEENAGE SMOKERS (14-17) AND NEW ADULT SMOKERS AND QUITTERS

Following is an analysis of teenage smokers and new adult smokers and quitters for Camel, Vantage, More and Now. This serves as an addendum to the report issued on July 18, 1980 (attached), which did not analyze the brands listed above. These brands will be tracked in future reports.

To assist in referring to the original report, the tables presenting the additional brands are numbered and labeled the same as their corresponding tables in the original report.

SUMMARY OF [illegible] FINDINGS

- Neither CAMEL, VANTAGE, MORE or NOW account for a very large portion of the teenage smokers. CAMEL has the largest share, with 2.4% of teenage smokers in [illegible]79. CAMEL does appear to be growing among the [illegible]ge group, primarily due to CAMEL Lights. VANTAGE also appears to be growing, although at a slower rate than CAMEL.
- All four of the brands lose share due to the aging process. CAMEL loses the largest share, .04, primarily due to CAMEL Regular's high share among the 50+ age group.
- Each of the four brands have approximately the same percentage of new smokers as they have quitters. They each gain and lose smokers at the levels expected based on their share of market.

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A. SMOKING AMONG THE 14-17 AGE GROUP/AGING

1. Share of Four RJR Brands Among 14-17 Year Old Smokers

TABLE I

SHARE AMONG 14-17 AGE GROUP

	Share Among 14-17	
	Spring 1979	Fall 1979
CAMEL	1.2	2.4
VANTAGE	1.0	1.9
MORE	.1	.3
NOW	.1	.1

SOURCE: RJR Estimates

Aging

TABLE III

SHARE AMONG 18 AND 50+ YEAR OLDS

	Share Among 18		Share Among 50+	
	Spring 1979	Fall 1979	Spring 1979	Fall 1979
CAMEL	2.3	2.4	6.0	6.3
VANTAGE	1.5	1.9	3.3	3.1
MORE	.2	.3	2.9	3.0
NOW	.1	0	.8	.8

SOURCE: Share estimates based on NFO data. Share among 18 year olds estimated by trending share among 16-17 to 18-20.

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TABLE IV

NET EFFECT OF AGING

	Share Point Change	
	Spring 1979	Fall 1979
CAMEL	-.04	-.04
VANTAGE	-.02	-.02
MORE	-.03	-.03
NOW	-.01	-.01

SOURCE: Estimates calculated based on rate per day and share of smokers

B. NEW ADULT SMOKERS AND QUITTERS

Share of New Adult Smokers and Quitters Among the Four Brands

TABLE VII

SHARE OF NEW ADULT SMOKERS AND QUITTERS AMONG COMPANIES AND KEY BRANDS

	Share of New Smokers		Share of Quitters	
	Spring 1979	Fall 1979	Spring 1979	Fall 1979
CAMEL	4.0	3.8	4.2	4.3
VANTAGE	3.5	3.5	2.5	4.2
MORE	1.5	1.7	1.1	1.4
NOW	.8	.8	.9	1.4

SOURCE: NFO Estimates

Please call if you have any further questions.

Kay Duffy

Kay Duffy

KD/dd

cc: Mr. S. R. Perry
Mr. J. R. Moore

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R.J. Reynolds Tobacco Company

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March 16, 1992

Mr. Preston Kirk
1511 Jennifer
Richardson, TX

Dear Preston:

I am sorry that I was unable the other evening to give you all of the Camel information you requested. Enclosed is a compilation of the Camel market data, which shows the actual business performance.

I hope this answers your question, and if you are interested in more information, please do not hesitate to contact me at RJR.

Sincerely,

Tom Griscom

TCG:le

Enclosure

"We work for smokers."

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PERCENTAGE OF CAMEL VOLUME UNDERAGE

A.	No. of Smokers Underage (12-17)	2,389,000 Million
B.	No. of Cigarettes Smoked Per Day	7.445
C.	No. Days Per Year	365
D.	Total Cigarettes Smoked Per Year-Underage	6.49 Billion
E.	Total No. Cigarettes Sold in 1990	521.8 Billion
F.	Percentage of Total Cigarettes Accounted For by Underage Smokers	1.2%
G.	Camel's Share-of-Market Among Underage Smokers	7.9%
H.	Total Camels Purchased by Underage Smokers	.51 Billion
I.	Total Camels Sold in 1990	22.70 Billion
J.	Percentage of Camels Bought by Underage Smokers	2.2%
K.	Percentage of Camels Bought by Underage Smokers 8-17 (with DiFranza 9.11 Estimate)	2.3%

Source

A. National Institute on Drug Abuse - ages 12-17; used at least once in the 30 days prior to the survey; estimate developed from the 1988 National Household Survey on Drug Abuse.

B. National Institute on Drug Abuse - rate per day of high school seniors (Class of 1990) who reported smoking in last 30 days.

D. Calculation: A x B x C

E. Market Science Associates - total industry shipments reported by all Domestic cigarette manufacturers.

F. Calculation: D ÷ E

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RESEARCH PLANNING MEMORANDUM

ON

THE NATURE OF THE TOBACCO BUSINESS AND THE CRUCIAL

ROLE OF NICOTINE THEREIN

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H. BANTA 4/4/97

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MEMORANDUM:

In a sense, the tobacco industry may be thought of as being a specialized, highly ritualized and stylized segment of the pharmaceutical industry. Tobacco products, uniquely, contain and deliver nicotine, a potent drug with a variety of physiological effects. Related alkaloids, and probably other compounds, with desired physiological effects are also present in tobacco and/or its smoke. Nicotine is known to be a habit-forming alkaloid, hence the confirmed user of tobacco products is primarily seeking the physiological "satisfaction" derived from nicotine -- and perhaps other active compounds. His choice of product and pattern of usage are primarily determined by his individual nicotine dosage requirements and secondarily by a variety of other considerations including flavor and irritancy of the product, social patterns and needs, physical and manipulative gratifications, convenience, cost, health considerations and the like. Thus a tobacco product is, in essence, a vehicle for delivery of nicotine, designed to deliver the nicotine in a generally acceptable and attractive form. Our Industry is then based upon design, manufacture and sale of attractive dosage forms of nicotine, and our Company's position in our Industry is determined by our ability to produce dosage forms of nicotine which have more overall value, tangible or intangible, to the consumer than those of our competitors.

The habituated user of tobacco products is said to derive "satisfaction" from nicotine. Although much studied, the physiological actions of nicotine are still poorly understood and appear to be many and varied. For example, in different situations and at different dose levels, nicotine appears to act as a stimulant, depressant, tranquilizer, psychic energizer, appetite reducer, anti-fatigue agent, or energizer, to name but a few of the varied and often

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contradictory effects attributed to it. Many of these same effects may be achieved with other physiologically active materials such as caffeine, alcohol, tranquilizers, sedatives, euphorics, and the like. Therefore, in addition to competing with products of the tobacco industry, our products may, in a sense, compete with a variety of other products with certain types of drug action. All of these products, tobacco and other, appear to have certain common attributes in that they are used largely to relieve, in one way or another, the fatigues and stresses which arise in the course of existence in a complex society.

Happily for the tobacco industry, nicotine is both habituating and unique in its variety of physiological actions, hence no other active material or combination of materials provides equivalent "satisfaction". Whether nicotine will, over the long term, maintain its unique position is subject to some reasonable doubt. With increased sophistication of knowledge in the biological and pharmaceutical areas, a superior or at least equivalent product or product mixture may emerge. For this reason, it would be a mistake to assume that the tobacco industry, as we now know it, is immortal or that direct competition from organizations outside of the tobacco industry will never occur. It is safe to assume, however, that nicotine will retain its unique position throughout the present ten year planning period, and probably for a much longer span of time.

If nicotine is the sine qua non of tobacco products and tobacco products are recognized as being attractive dosage forms of nicotine, then it is logical to design our products -- and where possible, our advertising — around nicotine delivery rather than "tar" delivery or flavor. To do this we need to

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develop new data on such things as the physiological effects of nicotine, the rate of absorption and elimination of nicotine delivered in different doses at different frequencies and by different routes, and ways of enhancing or diminishing nicotine effects and "satisfactions". In the absence of such data, we may survey the market and conclude that current cigarette products delivering about 1.3 mg. of nicotine appear to "satisfy" the typical smoker. This, somewhat crudely, establishes a target dosage level for design of new products. An accompanying Research Planning Proposal describes that approach in some detail. However, if we knew more about nicotine absorption, action, elimination, enhancement and the like, it should, in theory, be possible to more precisely specify, and deliver, the optimum amounts of nicotine activity in sophisticated products which would be more satisfying and desirable to the user. This area merits consideration and activity.

Before proceeding too far in the direction of design of dosage forms for nicotine, it may be well to consider another aspect of our business; that is, the factors which induce a pre-smoker or non-smoker to become a habituated smoker. Fundamentally, the things which keep a confirmed smoker habituated and "satisfied", i.e., nicotine and secondary physical and manipulative gratifications, are unknown and/or largely unexplained to the non-smoker. He does not start smoking to obtain undefined physiological gratifications or reliefs, and certainly he does not start to smoke to satisfy a non-existent craving for nicotine. Rather, he appears to start to smoke for purely psychological reasons -- to emulate a valued image, to conform, to experiment, to defy, to be daring, to have something to do with his hands, and the like. Only after experiencing smoking for some period of time do the physiological "satisfactions" and habituation become apparent and needed. Indeed, the first

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smoking experiences are often unpleasant until a tolerance for nicotine has been developed. This leaves us, then, in the position of attempting to design and promote the same product to two different types of market with two different sets of motivations, needs and expectations. The same situation is encountered in some industries, but the problem is usually not as severe.

If what we have said about the habituated smoker is true, then products designed for him should emphasize nicotine, nicotine delivery efficiency, nicotine satisfaction, and the like. What we should really make and sell would be the proper dosage form of nicotine with as many other built-in attractions and gratifications as possible -- that is, an efficient nicotine delivery system with satisfactory flavor, mildness, convenience, cost, etc. On the other hand, if we are to attract the non-smoker or pre-smoker, there is nothing in this type of product that he would currently understand or desire. We have deliberately played down the role of nicotine, hence the non-smoker has little or no knowledge of what satisfactions it may offer him and no desire to try it. Instead, we somehow must convince him with wholly irrational reasons that he should try smoking, in the hope that he will for himself then discover the real "satisfactions" obtainable. And, of course, the present advertising climate, our opportunities to talk to the pre-smoker are increasingly limited, and therefore increasingly ineffective. Would it not be better, in the long run, to identify in our own minds and in the minds of our customers what we are really selling, i.e., nicotine satisfaction? This would enable us to speak directly of the virtues of our product to the confirmed smoker, and would educate the pre-smoker, perhaps indirectly but effectively, in what we have to offer and what it would be expected to do for him.

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But again, the picture is not quite all that clear. Critics of tobacco products increasingly allege that smoking is dangerous to the health of the smoker. Part of this alleged danger is claimed to arise from ingestion of nicotine and part is claimed to arise from smoke components or smoke "tar". If, as proposed above, nicotine is the sine qua non of smoking, and if we meekly accept the allegations of our critics and move toward reduction or elimination of nicotine from our products, then we shall eventually liquidate our business. If we intend to remain in business and our business is the manufacture and sale of dosage forms of nicotine, then at some point we must make a stand. We should know more, rather than less, than our critics about the physiological effects of nicotine, and we should in all ways scientifically validate and speak to the beneficial effects and "satisfaction" derived from use of nicotine. Essentially all commercial drugs give rise to some undesirable side effects, but we continue to use them with great benefit to humanity because of their overriding beneficial effects. Might we not take a leaf from that book in our approach to nicotine? Unless we do, our long-term prospects become unattractive.

Our critics have lumped "tar" and nicotine together in their allegations about health hazards, perhaps because "tar" and nicotine are generated together in varying proportions when tobacco is smoked. An accompanying Research Planning Memorandum suggests an approach to reducing the amount of "tar" in cigarette smoke per unit of nicotine. That is probably the most realistic approach in today's market for conventional cigarette products. However, another more futuristic approach is possible which goes more directly to the fundamentals of the alleged problem.

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If our business is fundamentally that of supplying nicotine in useful dosage form, why is it really necessary that allegedly harmful "tar" accompany that nicotine? There should be some simpler, "cleaner", more efficient and direct way to provide the desired nicotine dosage than the present system involving combustion of tobacco or even chewing of tobacco. A conventional 1000 mg. tobacco rod containing about 20 mg. of nicotine is smoked to produce only about 1.3 mg of smoke nicotine, accompanied by about 20 mg. of "tar" and 20 mg. of gas phase matter; and a substantial part of the 1.3 mg of smoke nicotine is lost to the smoker via exhaled smoke — surely an inefficient nicotine delivery system. It should be possible to obtain pure nicotine by synthesis or from high-nicotine tobacco. It should also be possible, using modifications of techniques developed by the pharmaceutical and other industries, to deliver that nicotine to the user in efficient, effective, attractive dosage form, accompanied by no "tar", gas phase, or other allegedly harmful substances. The dosage form could incorporate various flavorants, enhancers, and like desirable additives, and would be designed to deliver the minimum effective amount of nicotine at the desired release rate to supply the "satisfaction" desired by the user. Such a product would maximize the benefits derived from nicotine, minimize allegedly undesirable over-dosage side effects from nicotine, and eliminate exposure to other materials alleged to be harmful to the user. For the long term, we should be working toward development of such products — if we do inevitably someone else will, and there are strong indications that others already moving in this direction.

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In the present real situation, where nothing has been done to counteract the adverse allegations about nicotine and where conventional products delivering adequate amounts of nicotine dominate the marketplace, no abrupt change in our posture or strategy would be appropriate or reasonable. The approaches advocated above are aimed at stopping and eventually reversing a trend that may in the long term put us out of business, and are intended to lay a framework of philosophy around which research efforts may now begin. Hopefully, some day we will rejoice rather than despair when a new crop of tobacco shows an unusually high content of nicotine, our primary product. Hopefully, with time we will be able to develop sophisticated and improved minimum dosage forms for nicotine which will be more satisfying to the user and free of alleged health hazards. And hopefully, by that time, we will have been able to establish and use information showing that use of nicotine fills real, demonstrable human needs, the beneficial effects overriding the allegedly harmful side effects.

INDICATED RESEARCH DEPARTMENT ACTIVITIES AND APPROACHES:

If the above is a valid line of reasoning, then our long-term future course of action should be as follows:

1. Recognize the key role of nicotine in consumer satisfaction, and develop and promote our products with this in mind.
2. More precisely define the minimum amount of nicotine required for "satisfaction" in terms of dose levels, dose frequency, dosage form, and the like. This would involve biological and other experiments.
3. Sponsor in-depth studies of the physiological, psychological and other effects of nicotine, aimed at demonstrating the beneficial effects of nicotine and at disproving allegations that nicotine produces major adverse effects.

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4. Study, design and evaluate new or improved systems for delivery of nicotine which will provide the minimum satisfying amount of nicotine in attractive form, free of allegedly harmful combustion products.
5. Study means for enhancing nicotine satisfaction via synergists, alteration of pH, or other means, to minimize dose level and maximize desired effects.
6. Monitor developments in materials and products which may compete with nicotine products or which might be combined with nicotine-products to provide added advantages or satisfactions.
7. Monitor work by others which might be aimed at improved nicotine delivery systems of the type proposed here.
8. Search for and evaluate other physiologically active components of tobacco or its smoke which may provide desired effects to the smoker.

Claude E. Teague, Jr.
April 14, 1972

:jhb

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Marketing Research Report

February 1, 1985

Mr. R. T. C[illegible]

FROM: Alicia Nance Hi[illegible]

CAMEL YOUNGER ADULT SMOKER FOCUS GROUPS
(MDD #85-13202)

Copies To:

Mr. L. W. Hall
Mr. A. R. Cox/Mr. D. H. Murphy
Mr. J. T. Winebrenner
Mr. D. F. Baker (McCann-Erickson)
MDIC

ANH:ca

PUBLISHED BY THE MARKETING DEVELOPMENT DEPARTMENT
R.J. REYNOLDS TOBACCO COMPANY, WINSTON-SALEM, N.C. 27102

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CAMEL YOUNGER ADULT SMOKER FOCUS GROUPS
(MDD 785-13202)

BACKGROUND:

Due to the importance of younger adult smokers, CAMEL has developed a new advertising campaign which is directed solely towards this group. Although the new campaign is very different from the current campaign, it was developed to supplement but not replace the CAMEL World Campaign.

Management requested that the Younger Adult Campaign be taken to focus groups in order to obtain consumer reaction to the new ads. Six groups (four male, two female) were conducted in order to obtain qualitative consumer feedback about the strengths of the ads to catch one's attention and the overall appeal of these executions. The ads that were shown consisted of six different themes, with approximately three executions per theme. The findings from the focus groups are summarized in this report.

As with all qualitative research, these findings are suggestive rather than definitive.

INCOMING HYPOTHESES:

- The Younger Adult Campaign will change the negative perceptions (smoker and product) of CAMEL held by so many competitive smokers.
- The Younger Adult Campaign will be viewed as exciting, likable and relevant to younger adult smokers.
- The Younger Adult Campaign will be more relevant and appealing to younger adult smokers than the current World Campaign, or the Evolutionary Campaign.
- The new campaign goes much farther in reaching the boundaries of what is acceptable to younger adult smokers than the current campaign.

FINDINGS:

I. Younger Adult Campaign Executions

Overall, many of the male and female respondents held negative user and product perceptions of CAMEL. In their minds, CAMEL was thought to be a non-filtered, harsh product, smoked by older males. However, exposure to the younger adult ads appeared to somewhat improve these attitudes. This improvement stemmed primarily from two characteristics: humor, and relevancy to younger adult smokers. Certain ads did convey the message that CAMEL was an acceptable choice for younger adult smokers; as evidence, focus group members placed some of the ads in younger adult publications such as National Lampoon and Rolling Stone.

Some of the new ads did appear to capture the attention of the respondents—and yet, many fell short in one area. The executions were too

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"true" in that they did not elicit enough excitement or enthusiasm. It appears that there is still much more room for further development among this particular age group.

Of the [illegible] themes, "Go With It" and the "French Camels" appeared to attract the most positive attention. General reaction to each theme was as follows:

1. "Go With It"

These executions were generally liked because of the young couple, the situations they were in and the unexpected presence of the camel. Focus group members could relate to the models and their activities—therefore, there was a relevancy for younger adult smokers. This reality was a successful compliment to the fantasy aspect of the ads (as represented by the camel). However, the tag line, "Go With It", appeared to be flat and outdated.

2. "French Camels"

These ads were well received due to the fun/humor aspects of the [illegible]. More than any other theme, the "French Camels" appeared to attract the respondents' attention. The main drawbacks of these executions were that: one, they may be more appealing to an even younger age group and two, there is some confusion as to the meaning behind them (some focus group members were hard-pressed to explain the purpose of the ads).

3. "[illegible] to the Oasis"

These ads fell short because the "Oasis" concept was not meaningful or clear to the younger adult smokers. To some respondents, the ads communicated a place to come for relaxation. However, many did not understand why a camel and a pyramid had been placed in different settings. The fantasy element was not extreme enough, and was therefore lost in this group. Furthermore, the pyramid bore no association to the CAMEL pack among these respondents, and thus the heritage/mystique quality of the executions was irrelevant.

4. "Smoke Rings"

In these visuals, the younger adult smokers did not understand the connection between the ads and CAMEL's smoking billboard. Consequently, the ads appeared somewhat "stupid" and mundane. The exception to this was the underwater billboard. This particular ad combined the unexpected with the unexplainable, and as a result it received positive feedback. However, much of this positive feedback was due to the actual underwater visual and not the overall concept of "Smoke Rings".

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3. "Camel Man"

These artists' renderings held very little appeal for the target, as the renderings were apparently too cerebral in nature. The humorous, "avant-garde" element of the paintings and of the tag line was not appreciated by these groups. In addition, the ultra-macho figures only served to reinforce and accentuate the masculine perception of the brand.

4. "I'd Walk a Mile"

The most surprising result of showing these ads was that the target did not remember the "I'd Walk a Mile" Campaign of the 1960's. As a result, the humor of the executions did not come across. Instead, some group members attempted to make literal interpretations of the ad. This learning is significant because it suggests that CAMEL's heritage is unfamiliar, and therefore somewhat irrelevant, to younger adult smokers.

II. Other Areas of Exploration

1. CAMEL Evolutionary Campaign

Reaction to this campaign was consistent with previous focus group learnings. In general, the response was positive. The activities portrayed in the evolutionary ads were relevant because they depict fun and group activity, both important elements to younger adults. Among several of the groups, the Evolutionary Campaign appeared to be liked as much, if not more, than the Younger Adult Campaign.

2. CAMEL Packaging and Trial

To these smokers, the CAMEL Filters pack is symbolic of their negative perceptions of CAMEL. The yellowish pack color and the desert scene, suggest that the product is old, stale, hot and harsh. The whiter, cleaner CAMEL Lights packaging was better received. Focus group members were also quick to point out the negative connotations of "CAMEL Taste".

It is important to note that trial consistently evoked surprised reactions that the product (both filters and lights) was not as strong and harsh as was expected. In fact, many enjoyed the product's taste and delivery. These positive responses in trial indicate that CAMEL's problems are not due to poor product, but rather to negative user imagery and misconceptions that CAMEL has only the non-filtered style. However, if the brand could stimulate trial among this group of competitive younger adults, these smokers would see that CAMEL's product is indeed acceptable. In turn, this would help overcome these negative perceptions.

3. "Let CAMEL Take You to the Movies" Promotion

Essentially, younger adults liked the concept behind the promotion and expressed eagerness to participate. They did, however, have mixed feelings about the overall creative element of this particular visual.

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OUTGOING HYPOTHESES:

1. Because of CAMEL's negative in-market perceptions among younger adults, a campaign directed towards them must be very appealing and stimulating, as well as eyecatching. While these younger adult ads appeared to move the target in the right direction, the ads did not move them to the necessary extreme.

2. CAMEL's asset of heritage does not appear to have quite the leverage against the target group that was earlier presumed. The reason for this is primarily that this age group is too young to remember earlier ties to "I'd Walk A Mile", the smoking billboard, the camel or any other element associated with the brand.

3. In terms of overall appeal, younger adult smokers appear to like a reality/fantasy [illegible]. The reality element encompasses factors such as models their own age and activities the respondent could participate or relate to; the fantasy element includes scenes that are either unique and unexpected, or humorous and ridiculous.

4. The Younger Adult campaign is, for the most part, successful in letting the target know that the ads are directed towards their particular age group. In contrast, the Evolutionary Campaign has a somewhat wider range of appeal.

IMPLICATIONS:

The Younger Adult Smoker Campaign's departure from traditional CAMEL advertising is a significant improvement due to its relevancy to these targeted smokers groups. The actual executions, however, fell short of illiciting the extreme reactions which are needed in order to change current perceptions of CAMEL. Further creative exploration of advertisements could produce a more dynamic and effective Younger Adult Campaign.

COMMENTS

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"GO WITH IT"

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Give us a ring Call 1 800 273-8000
and we'll send you this poster, 28" x 36".

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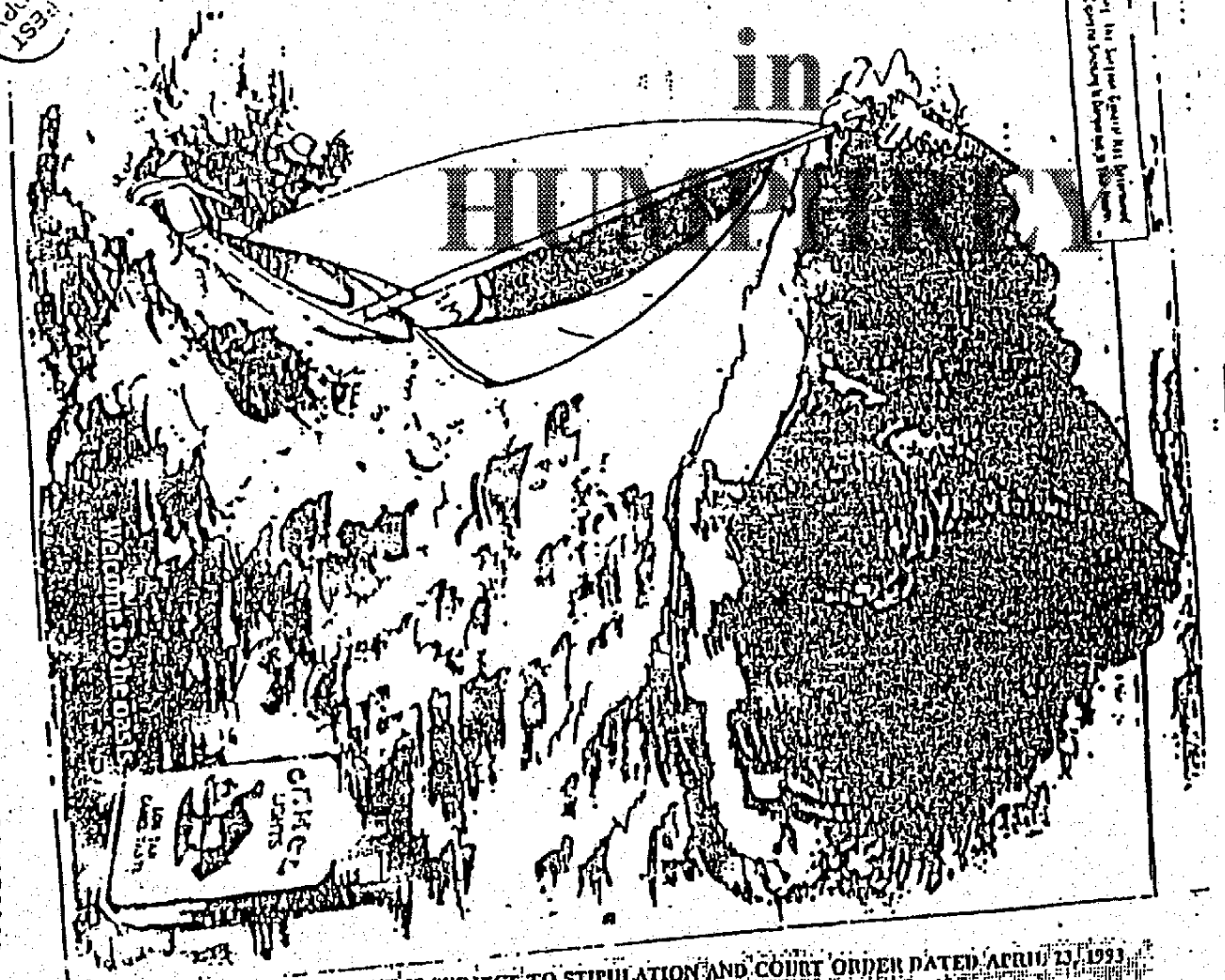

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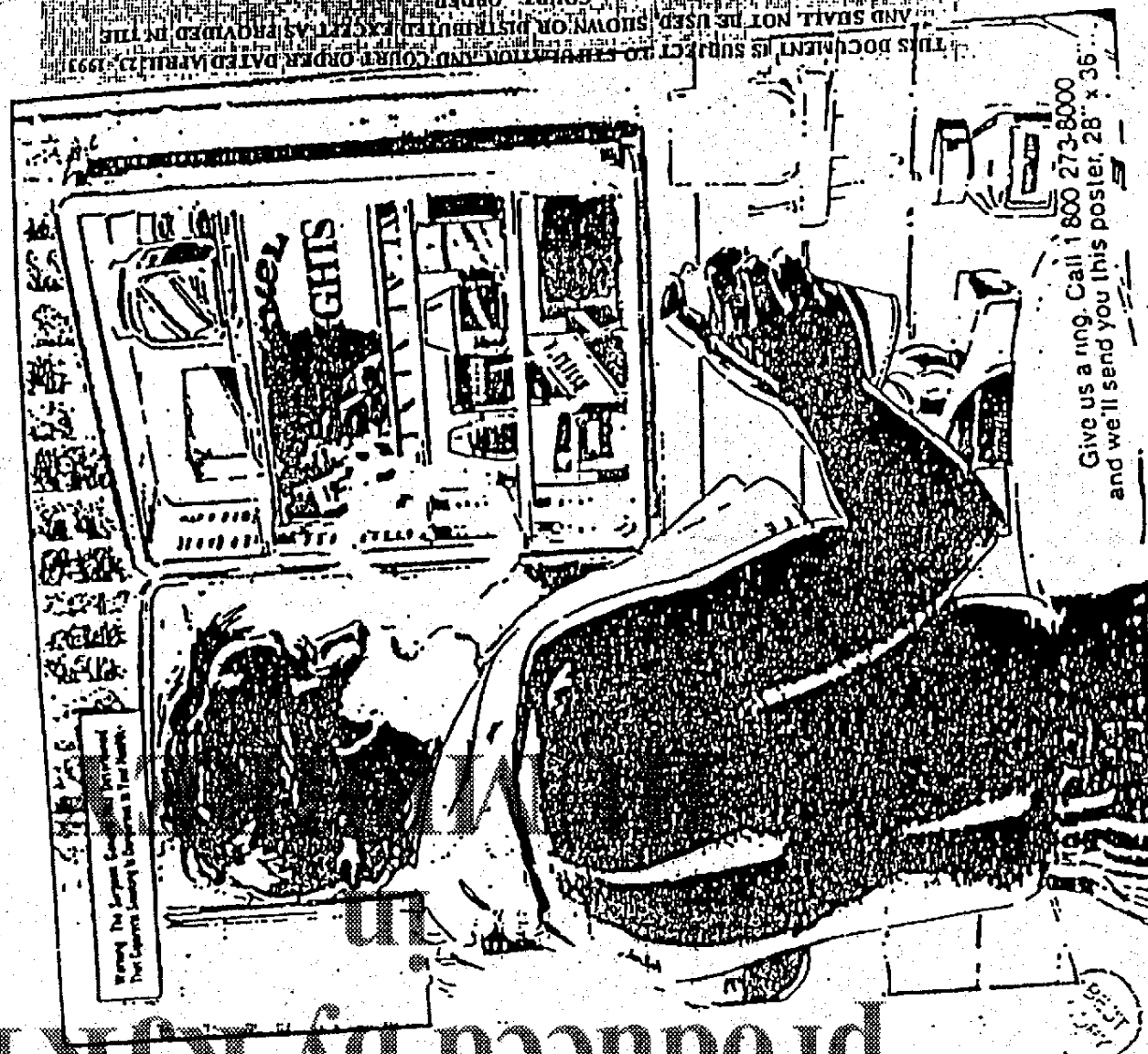

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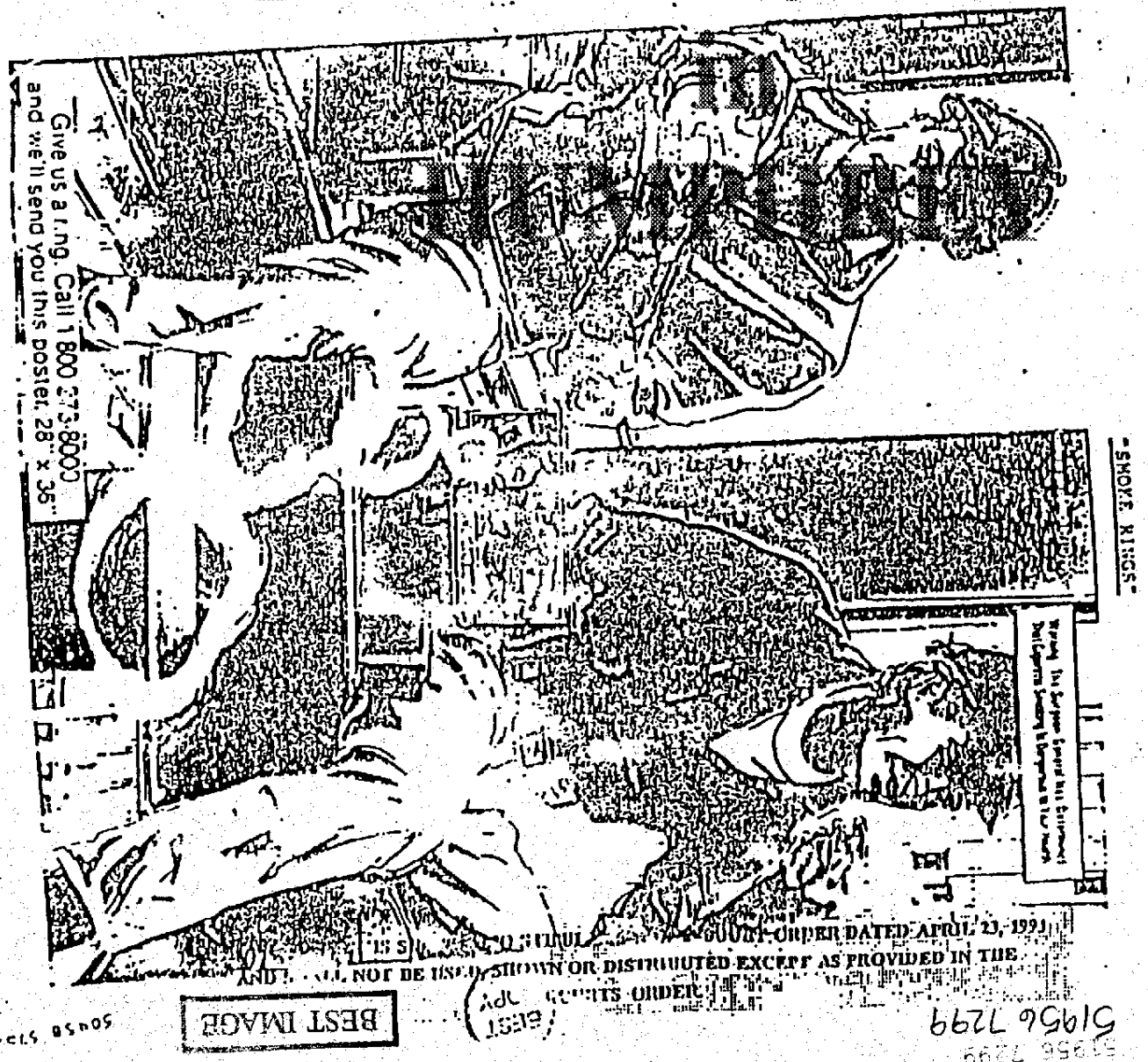

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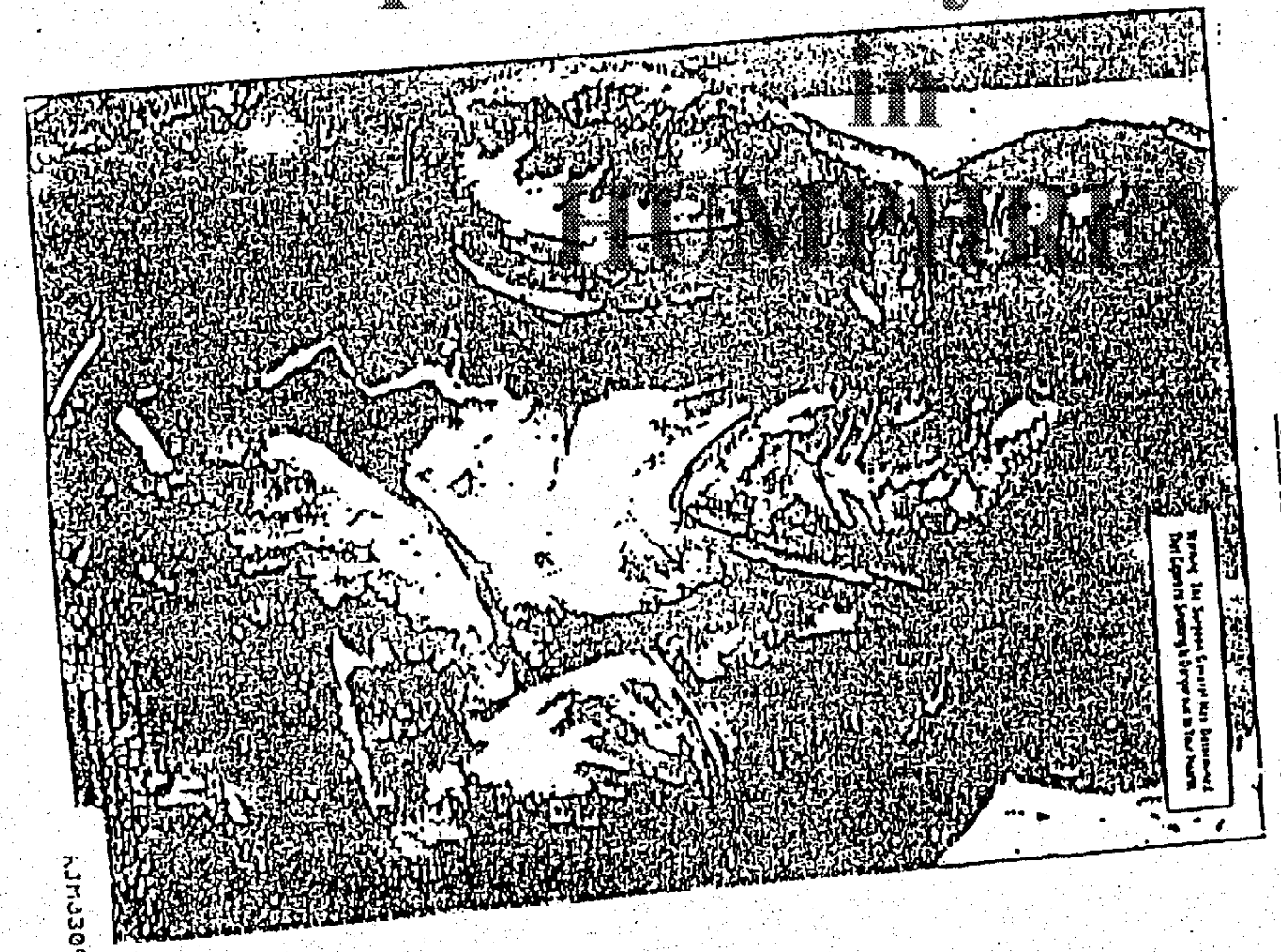

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HUMPHREY III

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Hawkins, McCain & Blumenthal, Inc.

ADVERTISING

CONFIDENCE REPORT

AUG 4 1977

CLIENT: Brown & Williamson

DATE OF CONFIDENCE: July 28, 1977

PLACE OF CONFIDENCE: B&W/Louisville

REPRESENTING CLIENT: L. Lewis, L. Glass, L. Reynolds

REPRESENTING AGENCY: J. McCain, A. Hawkins, J. Blumenthal

COPIES: Donna Sengelaub-Barr (10)
P. Tighe
L. Lewis
L. Glass
L. Reynolds
A. Hawkins
J. McCain
J. Blumenthal
E. Vila

CR # 77-LTS 10
Date Typed: 8/1/77

Purpose

To receive and participate in an R&D briefing on the LTS product in three major areas:

1. Pharmacology effects
2. Technology/State-of-the-art
3. Satisfaction research

Discussion

- These three areas were fully explored.
- Some type of quantitative research may be necessary to place accurate (if possible) dimensions on "satisfaction." Multi-dimensional scaling was suggested as one method.

John H. McCain

342 MADISON AVENUE, NEW YORK, N.Y. 10017 (212) OX 7-9470

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LTE
SYNECTICS
MAY, 1977

DEVELOP A LOW TAR HIGH NICOTINE CIGARETTE

GOALS/WISHES (Session #1 - PAT)
How to : Wish we could

- nicotine up to 1.5/less than 10 mg. "tar"
- improve T/N ratio with VENTILATION
- blend in A SATISFIER
- MULTIPLY NICOTINE RUSH
- get across to consumer that what he likes (NICOTINE) is not what hurts (TAR)
- say it in a way GOVERNMENT will allow
- have FREE NICOTINE as opposed to BOUND
- develop an ALKALINE tobacco BLEND AT 1.5
- position this cigarette W/O mentioning nicotine
- show VALUE OF NICOTINE (lift, A.M. Starter)
- market an ADDICTIVE PRODUCT in an ETHICAL MANNER
- define a TARGET AUDIENCE for this product

Hawkins, McCain & Blumenthal, Inc.

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HOW TO INCREASE PUFF TO BOUND NICOTINE RATIO IN SMOKE
(Session #2.3 - SLIDE)

- get maximum amount of AMELIORATED NICOTINE without rough edges
- Masking additive gets the attention W/O pain of free nicotine
- Nicotine in the FILTER
- a high nicotine cigarette not scary to smokers that had caffeine
- a high proportion of LATAKIA
- NEUTRALIZE TAR, deactivate it
- identify elements to find out which gives satisfaction
- MENTHOL masking agent for high nicotine

ADD 1) DARK FIRE CURED TOBACCO
DARK AIR CURED TOBACCO
to regular blend

2) enhance nicotine satisfaction
enhance flavor and side stream
(AROMA)

3) DUAL FILTER OR SINGLE PAPER FILTER

4) ADDITIVE LIKE MACOS (Sodium Carbonate)
to PAPER.

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HOW TO FIND OUT IF THERE IS A MARKET FOR US
(Session 04.3 - TOM)

- GORI'S statements on nicotine
- communicate pleasure of higher nicotine W/O using word
- present as a true breakthrough product. A new category
- UNLOCK FLAVOR
- appeal to full flavor smokers
- Hi-fi smokers who are not satisfied
- need for flavor and satisfaction is shared by both health undercurrent!
- A product that CONDONES THE VICE
- talk about QUALITY OF THE NICOTINE
- advertising look like news - not advertising
- testimonials from Marlboro smokers
- let REAL shake the market

(Session 07 - A LUXURY, PREMIUM cigarette)

(Session # 9 - 10 - A PRODUCT THAT WILL FULFILL EXPECTATIONS) - A PREMIUM PRODUCT

A TOBACCO FILTER or WRAP: 100% NATURAL

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(Session 81) - MOVES FOR PREMIUM CIGARETTE)

SOVEREIGN
EXCALIBAR
STARS
OLYMPIA
VINTAGE
GRAND PRIX

Hawkins, McCain & Blumenthal Inc.

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LTM - CREATIVE DEV. GROUPS
August 23, 24, 1977 - Rochester, N.Y.
2:00 and 6:00PM

- Moderator: Natalie Katz, A. Spencer Bruno, Inc.
  89 Washington Road
  Princeton Junction, New Jersey 08550
  609-452-8282
  609-443-5773

- Respondent Qualifications

  Menthol Smokers
  1 pack or more a day
  $15,000 annual income (head of household) or more
  Some college
  Over 25

- Four Groups

  Low "tar" women (2)
  Low "tar" men (1)
  Hi "tar" women (1)

Hawkins McCain & Burnett Inc.

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LTN - CREATIVE DEV. GROUPS
August 23, 24, 1977 - Westchester, N.Y.
2:00 and 6:00PM

- Moderator: Natalie Katz, A. Spencer Bruno, Inc.
  89 Washington Road
  Princeton Junction, New Jersey 08550
  609-452-8282
  609-443-5773

- Respondent Qualifications

  Menthol Smokers
  1 pack or more a day
  $15,000 annual income (head of household) or more
  Some college
  Over 25

- Four Groups

  Lov "tar" women (2)
  Lov "tar" men (1)
  Hi "tar" women (1)

Hawkins, McCain & Blumenthal, Inc.

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13-30 CORPORATION

R.J. REYNOLDS SESSION

June 29, 1983

THE CLOISTER, SEA ISLAND, GEORGIA

FACILITATOR: Jonathan Whitcup

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RJR468291

CONSULTATIVE RESOURCES CORPORATION

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TASK

To develop concepts/options for a media vehicle(s) for use in, on, under or around convenience stores which will satisfy the needs of:

- The convenience store customer
- The convenience store owner
- The R. J. Reynolds Company.

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SESSION II A.M.

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BEGINNING IDEAS

1. Something purchase related - take advantage of reason for coming in.
2. How to sidetrack from original purchase.
3. How to set up an auto exchange board.
4. An automotive care and exchange center.
5. Neighborhood concept - autos, neighborhood information, baby sitting, garage sales, house for sale by owner, any kind of service available.
6. How to take advantage of 1 1/2 mile radius.
7. Crime Watch System - a network for neighborhood.
8. Information on mission dogs and cats.
9. Activity booklet appealing to young people - things to do.
10. Sign - changes weekly - TV listings, concerts, movies, events.
11. How to have something cumulative sequential, high frequency of change.
12. Daily family news, fast news & weather. Service, like news capsule in restaurants - 8 1/2 X 11 sheet.
13. Sports results.
14. Things that change.
15. Neighborhood GAME - ongoing.
16. How to have something accumulative.
17. Develop a "Free-phone Center" with a timer.
18. Develop an electrnic message board.
    - a cable channel
    - the weather channel.

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In ENCRYPTED

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19. Develop an interactive terminal to give information on/about:

- best restaurants
- dry cleaning
- sports
- weather
- news
- catalogue
- shopping center
- concerts
- movies
- local entertainment
- service locations
- transit
- map locator
- stocks
- local sports
- time
- schedules
  - local sports
  - soccer leagues
  - church leagues
- road conditions
  - weather
  - repair
- local activities
- entertainment at local establishments
- garage sales

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- job openings
- news headlines
- heads of Latin American countries
- beach report
- ski report
- fishing conditions
- ski conditions
- localized outdoor sporting conditions
- hunting seasons.

20. Develop an outside, curb service capability. All in one vending machine - don't have to go in.

21. Bottle return service

22. Something about trash baskets - it's there.

23. Above the store - how to use it.

24. How to use the parking lot.

25. How to capitalize on the time pumping gas.

26. How to have voice information system giving information or reminders.

27. Electronic voice channel at the pump.

28. Mtv video and music which starts when you start to pump gas. Over pump - top of store.

29. Use of pumping gas - how to use the "dead" time

30. Develop a tape club

- information
- entertainment
- library of tapes to be loaned

31. Help the owner divide up their parking lot

- do it in cigarettes packs

32. Have a coffee club - go to 7-11, put down $2.50 for a Winston Mug, then come with mug and get a free cup of coffee.

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33. Examine association a la cigarettes & coffee

34. A breathalizer machine - buy cigarettes and use it free.

35. Develop something which will be available to all and free for some.

36. How to fit cigarettes and beer.

37. How to tie in telephone with cigarettes.

38. Develop notes pads with phones - link to cigarettes.

39. Cigarette smokers

- calm down
- relax
- reward
- after dinner
- after sex
- stimulate

40. Develop a matt-box for cigarettes at the gas pumps

41. Advertising on gas - splasher device; read it when you are self-serving.

42. Advertising on the gas-splashes; shopping reminders.

43. Develop a reminder board. People come in because they forgot something. A trigger board.

44. Develop a computer - put in information, like birthdays, etc. Each day punch in a personal code, call up your file -- reminds you of things to remember.

45. Use a Winston Car-Service reminder - interactive.

46. Computerized index - feed in your auto, make, year for information on service, etc.

47. Winston Car Care Center - could be outside - oil, lube, windshield washer, squeegie, oil spout, tire pressure gauge, little door stickers to log information (inside of door), gas and mileage indicator. Helps build a new business for the store. Self liquidating if sold to store. Include a trash bin.

48. Develop a Winston dispenser for car window wipers/cloth

49. Provide them with the coffee organizer to help with coffee sections.

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50. Develop a bike rack for kids with bikes - create ad space.

51. How to deal with concept of illegal advertising to minors.

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CONFIDENTIAL

October 6, 1982

TO: Mr. L. W. Hall, Jr.

FROM: Ms. D. S. Burrows

RE: NBER MODELS OF PRICE SENSITIVITY BY AGE/SEX

BACKGROUND

In 1981, the National Bureau of Economic Research (NBER) published two models based on consumers' responses to government smoking surveys. Because the NBER models were cross-sectional (testing differences between people rather than over time) they were able to relate price separately to incidence and rate per day, by age and sex.

The NBER elasticities may not reflect the exact effects of price increases, since their models didn't deal with changes over time. However, the effects they found for other variables (race, income, working women, etc.) are highly consistent with our understanding of market dynamics. Thus, it is likely that the NBER models have correctly identified relative price sensitivity among age/sex groups.

A detailed critique of the NBER models is Attachment B.

SUMMARY OF FINDINGS

According to the NBER models:

- Teenagers and younger adult males are highly price sensitive.
- Males over 35 have above average price sensitivity.
- Women and 26-34 year old men are relatively immune to price.
- Price affects incidence; rate per day is virtually unchanged.

	NBER PRICE ELASTICITY AMONG:					
	TEENS 12-17	AGES 20-25 TOTAL	AGES 20-25 MALES	AGES 35+ TOTAL	AGES 35+ MALES	TOTAL 20+
EFFECT ON:						
Incidence	-1.19	- .74	-1.28	NA	NA	- .36
Consumption	-1.44	- .89	-1.40	- .45	- .66	- .42

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PLAINTIFF'S EXHIBIT 5

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CONCLUSIONS

In terms of immediate impact, the effect of price on males 35+ is most important. Half (50%) of the total drop in industry volume is attributable to males 35+, compared to 24% from younger adult males, and 7% from teenagers. (Calculated in Attachment A)

But, the loss of younger adult males and teenagers is more important to the long term, drying up the supply of new smokers to replace the old.* This is not a fixed loss to the industry: its importance increases with time. In ten years, increased rate per day would have been expected to raise this group's consumption by more than 50%.

Diane S. Burrows
MARKETING DEVELOPMENT DEPARTMENT

DSB/ch

cc: [illegible] Moore
[illegible] Osmon
[illegible] Monahan
[illegible] Fackelman
[illegible] Kriber
[illegible] Galyan
[illegible] Doten
[illegible] Davis
[illegible]

*As discussed in my 9/21/82 memo re "Estimated Change in Industry Trend Following P.L.T. Increase".

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HUMAN

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HUMHRD

ATTACHMENT A

IMPORTANCE OF PRICE IMPACT BY AGE/SEX TO TOTAL INDUSTRY

I. 1982 IMPORTANCE TO INDUSTRY

	% OF SMOKERS	RATE PER DAY	IMPORTANCE = % OF TOTAL CONSUMPTION
Teenagers 12-17	4.0 %	17.4 %	2.2 %
Males 18-24	8.0	29.7	7.5
Males 35+	28.7	38.9	33.6
Total 18+	96.0	31.7	97.8
Total	100.0	31.1 %	100.0

Source: Tracker (% smokers first half 1982, rate in year 1981) adjusted for estimated teenage smoking.

II. IMPORTANCE TO PRICE IMPACT: Simple calculation assumes 10% price increase and flat 623.0 billion industry. Importance of group to total change independent of total volume or price change.

	IMPORTANCE TO INDUSTRY %	IMPORTANCE TO INDUSTRY BILLIONS	USER ELASTICITY	LOSS FOLLOWING 10% PRICE INCREASE BILLIONS	LOSS FOLLOWING 10% PRICE INCREASE IMPORTANCE (%)
Teenagers 12-17	2.2%	13.7	-1.44	2.0	7.2%
Males 18-24	7.5	46.7	-1.40	6.5	23.6
Males 35+	33.6	209.3	- .66	13.8	50.0
Total 18+	97.8	609.3	- .42	25.6	92.8
TOTAL	100.0	623.0	- .44 %	27.6	100.0

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ATTACHMENT B

TECHNICAL SUPPLEMENT

SUMMARY AND CRITIQUE OF THE NBER MODELS

Lewit and Coate of the National Bureau of Economic Research developed two series of models relating cigarette prices (and other factors) to reported incidence, rate per day, and "total demand" (incidence times rate).

Although reported rates understate true consumption, the models would still be valid if the under-reporting was constant across the other variables -- geography, age, sex, etc. We ordinarily use this assumption ourselves.

Both studies were weakened by assuming that prices in all locales/outlets in a state were similar to the statewide average reported by TMA, plus local tax. This may be why both models had low adjusted R-squared values (.11 or less, but still significant).

Other aspects of the NBER studies are critiqued separately below, since each used a different data source, time period, and methodology.

THE OVERALL MODELS

SOURCE: "The Potential for Using Excise Taxes to Reduce Smoking," Working Paper No. 754 of the National Bureau of Economic Research, by E. M. Lewit and and D. Coate, September, 1981.

This ordinary least squares model used data tapes of individual responses to the Health Interview Survey of 1976. It expressed incidence, rate, and "total demand" of respondents over age 20 as a linear function of:

- Retail price, defined as the TMA - reported average in the respondent's state, adjusted for any local taxes.
- Family income and size
- Sex
- Marital Status
- Health status (perceived)
- Region and city size
- Race
- Working woman or not

Using the full sample, price was not found to be a statistically significant factor in incidence, rate, or "total demand". Coefficients for most of the other variables were significant (at the 5% level) in a direction consistent with our consumer research findings.

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The models were respecified using a restricted sample which eliminated respondents within 20 miles of a lower priced state, on the premise that the price they actually paid might be lower than the assigned price ("border effect"). For the restricted sample, price was found to be a statistically significant factor in:

- Incidence and "total demand" among 20-25 year olds.
- "Total demand" among those over 35.

When the regressions were done by age/sex, significant coefficients were found only for males. Though none were found in the female regressions, the higher elasticities for males/females combined than for males alone may imply some effect among females.

Selected elasticities are tabulated on the next page. Only boxed values have statistical significance at normal levels.

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WHER ELASTICITIES AMONG PERSONS 20+ (1976)
(Sample Restricted to Eliminate Border Effect)

	REPORTED INCIDENCE	REPORTED RATE	"TOTAL DEMAND" (INC. x RATE)
RETAIL PRICE			
Total 20+	- .264*	- .037	- .416**
20-25	- .74*	- .20	- .89*
26-[illegible]	- .44	- .04	- .47
35+	- .15	- .15	- .45*
Males 20+			
20-[illegible]	-1.276**	- .171	-1.401*
26-[illegible]	- .292	+ .029	- .320
35+	- .246	- .204	- .658*
Females 20+			
20-[illegible]	- .136	- .026	- .302
26-35	- .388	- .134	- .577
35+	+ .066	- .077	- .118
INCOME			
Total 20+	+ .03	+ .06**	- .08**

*OLS coefficient statistically significant at 5% level (2-tailed test).

**OLS coefficient statistically significant at 1% level (2-tailed test).

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Since the NHIS models are based on geographic differences in retail price at one point in time (1976), they do not translate directly to national changes over time:

- The positive income elasticity suggests that, over time, price elasticity should be applied to retail price deflated by some measure of consumer income. However, the price elasticities are strongly age/sex specific and income measures/projections are not available by age/sex.
- Since consumer prices may continue to rise faster than income (especially among young adults), using the CPI as a deflator probably yields conservative estimates of the price impact.
- Restricting the sample to eliminate "border effects" improved the model's applicability to the nation. However, it created some regional bias — Westerners rose from 18% to 29% of the sample while Northeasterners fell from 24% to 11%. This may have made the price elasticity more negative than the "true" national value, since [illegible] coefficients were associated with residence in any region [illegible] the West.

Thus, the eight NHIS elasticities are imprecise for national price changes. However, they probably give a reasonable idea of the groups most affected by price and [illegible] of magnitude of the effects.

For Young Youth:

SOURCE: "The Effects of Government Regulation on Teenage Smoking," by E. M. Lewit, D. Coate and M. Grossman. Journal of Law and Economics, December, 1981.

These models used personal interview data from Cycle III of the Health Examination Survey*, conducted 1966-70. Incidence and rate findings from HES III seem reasonable, perhaps even a cut above most teenage studies. But it is not recent.

A major part of this study was pre/post assessment of the Fairness Doctrine, which loaded television with anti-smoking commercials from 7/67 through 12/70. Other variables included:

*In Self-Reported Health Behavior and Attitudes of Youths 12-17 Years, United States. HEW, 1975.

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- TNA retail prices, adjusted to state cost-of-living and changes in the national CPI during the 4-year survey (an improvement over no adjustment, but still makeshift).
- Fairness Doctrine intensity versus cigarette advertising and amount of time spent watching TV
- Family income deflated by state cost-of-living
- Number of other children
- Parents' education
- Working mother or single parent
- Employment/allowance of youth respondent (detailed)
- Student status
- Age
- Sex
- Race
- Region and city size

Large [illegible] price elasticities were found. The coefficients were stable and statistically significant in all model specifications reported. The authors suggest that these large elasticities may incorporate other effects which the model did not include/capture separately. They suggest that the income (after) variables may have failed to represent the youth's actual discretionary income.

MEER PRICE ELASTICITIES AMONG YOUTH 12-17

	REPORTED INCIDENCE	REPORTED RATE	"TOTAL DEMAND" (INC. x RATE)
Total [illegible]	- 1.19	- .25	- 1.44

The Fairness Doctrine was also found to have an important negative effect during its first year (accounting for a 3 percentage point drop in 12-17 incidence), but showed diminishing returns during its second and third year. Cigarette advertising on TV was found to partially offset the Doctrine effects. Thus, the absence of TV advertising after 1970 was implicitly a negative effect, but the absence of the Fairness was a larger implicit positive.

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Results for other variables were not reported.

Weaknesses in the teenage MBER model are:

- Loose estimation of price, loosely deflated.
- "Impure" price elasticity (probably somewhat inflated).
- Data from the late 1960's, which may not reflect today's market.

National application of this model has the same problems as in the adult model, except that the problem of estimating what teenagers perceive as "real" price change is even worse.

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Preventing Tobacco Use Among Young People

A Report of the Surgeon General

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U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Public Health Service
Centers for Disease Control and Prevention
National Center for Chronic Disease Prevention and Health Promotion
Office on Smoking and Health

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Foreword

This Surgeon General's report on smoking and health is the twenty-third in a series that was begun in 1964 and mandated by federal law in 1969. This report is the first in this series to focus on young people. It underscores the seriousness of tobacco use, its relationship to other adolescent problem behaviors, and the responsibility of all citizens to protect the health of our children.

Since 1964, substantial changes have occurred in scientific knowledge of the health consequences of smoking and smokeless tobacco use. Much more is also known about programs and policies that encourage nonsmoking behavior among adults and protect nonsmokers from exposure to environmental tobacco smoke. Although considerable gains have been made against smoking among U.S. adults, this progress has not been realized with young people. Onset rates of cigarette smoking among our youth have not declined over the past decade, and 28 percent of the nation's high school seniors are current cigarette smokers.

The onset of tobacco use occurs primarily in early adolescence, a developmental stage that is several decades removed from the death and disability that are associated with smoking and smokeless tobacco use in adulthood. Currently, very few people begin to use tobacco as adults; almost all first use has occurred by the time people graduate from high school. The earlier young people begin using tobacco, the more heavily they are likely to use it as adults, and the longer potential time they have to be users. Both the duration and the amount of tobacco use are related to eventual chronic health problems. The processes of nicotine addiction further ensure that many of today's adolescent smokers will regularly use tobacco when they are adults.

Preventing smoking and smokeless tobacco use among young people is critical to ending the epidemic of tobacco use in the United States. This report examines the past few decades' extensive scientific literature on the factors that influence the onset of use among young people and on strategies to prevent this onset. To better understand adolescent tobacco use, this report draws not only on medical and epidemiologic research but also on behavioral and social investigations. The resulting examination of the advertising and promotional activities of the tobacco industry, as well as the review of research on the effects of these activities on young people, marks an important contribution to our understanding of the epidemic of tobacco use in the United States and elsewhere. In particular, this research on the social environment of young people identifies key risk factors that encourage tobacco use. The careful targeting of these risk factors—on a communitywide basis—has proven successful in preventing the onset and development of tobacco use among young people.

Philip R. Lee, M.D.
Assistant Secretary for Health
Public Health Service

David Satcher, M.D., Ph.D.
Director
Centers for Disease Control
and Prevention

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THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

The Honorable Thomas S. Foley
Speaker of the House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

It is my pleasure to transmit to the Congress the Surgeon General's report on the health consequences of smoking entitled Preventing Tobacco Use Among Young People. This report is mandated by section 8(a) of the Public Health Cigarette Smoking Act of 1969 (Public Law 91-222) and includes the health effects of smokeless tobacco products as mandated by section 8(a) of the Comprehensive Smokeless Tobacco Health Education Act of 1986 (Public Law 99-252). The report was prepared by the Centers for Disease Control and Prevention's Office on Smoking and Health.

This report focuses on the vulnerable adolescent ages of 10 through 18 when most users start smoking, chewing, or dipping and become addicted to tobacco. It examines the health effects of early smoking and smokeless tobacco use, the reasons that young men and women begin using tobacco, the extent to which they use it, and efforts to prevent tobacco use by young people.

Smoking kills 434,000 Americans each year. Adolescent smoking and smokeless tobacco use are the first steps in this totally preventable public health tragedy. The facts are simple: one out of three adolescents in the United States is using tobacco by age 18, adolescent users become adult users, and few people begin to use tobacco after age 18. Preventing young people from starting to use tobacco is the key to reducing the death and disease caused by tobacco use. This report documents that intervention programs targeting the broad social environment of adolescents are both effective and warranted.

A great opportunity lies before us to prevent millions of premature deaths and improve the quality of lives. This report points out the overwhelming need in public health for efforts directed toward stopping young people before they start using tobacco.

Sincerely,

Donna E. Shalala

Enclosure

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Preface

from the Surgeon General,
U.S. Department of Health and Human Services

The public health movement against tobacco use will be successful when young people no longer want to smoke. We are not there yet. Despite 30 years of decline in overall smoking prevalence, despite widespread dissemination of information about smoking, despite a continuing decline in the social acceptability of smoking, substantial numbers of young men and women begin to smoke and become addicted. These current and future smokers are new recruits in the continuing epidemic of disease, disability, and death attributable to tobacco use. When young people no longer want to smoke, the epidemic itself will die.

This report of the Surgeon General, *Preventing Tobacco Use Among Young People*, delineates the problem in no uncertain terms. The direct effects of tobacco use on the health of young people have been greatly underestimated. The long-term effects are, of course, well established. The addictive nature of tobacco use is also well known, but it is perhaps less appreciated that early addiction is the chief mechanism for renewing the pool of smokers. Most people who are going to smoke are hooked by the time they are 20 years old.

Young people face enormous pressures to smoke. The tobacco industry devotes an annual budget of nearly $4 billion to advertising and promoting cigarettes. As this report so well describes, there has been a continuing shift from advertising to promotion, largely because of banning cigarette ads from broadcast media. The effect of the ban is dubious, however, since the use of promotional materials, the sponsoring of sports events, and the use of logos in nontraditional venues may actually be more effective in reaching target audiences. Clearly, young people are being indoctrinated with tobacco promotion at a susceptible time in their lives.

A misguided debate has arisen about whether tobacco promotion "causes" young people to smoke—misguided because single-source causation is probably too simple an explanation for any social phenomenon. The more important issue is what effect tobacco promotion might have. Current research suggests that pervasive tobacco promotion has two major effects: it creates the perception that more people smoke than actually do, and it provides a conduit between actual self-image and ideal self-image—in other words, smoking is made to look cool. Whether causal or not, these effects foster the uptake of smoking, initiating for many a dismal and relentless chain of events.

On the brighter side, a large portion of this report is devoted to countervailing influences. We have the justification: there is a substantial scientific basis for primary prevention of cigarette smoking and smokeless tobacco use. A number of successful prevention programs, based on the psychological and behavioral factors that create susceptibility to smoking, are available. We have the means: the report defines a coordinated, effective, nonsmoking public health program for young people. And we have the will: schools, communities, legislatures, and public opinion all testify to the growing support for encouraging young people to avoid tobacco use.

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The task is by no means easy. This report underscores the commitment all of us must have to the health of young people in the United States. Substantial work will be required to translate the justification, the means, and the will into a world in which young people no longer want to smoke. I, for one, relish the task.

M. Joycelyn Elders, M.D.
Surgeon General

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Introduction

Previous Surgeon General's reports on tobacco use and health have largely focused on the epidemiologic, clinical, biologic, and pharmacologic aspects of adult use of tobacco products. This report on *Preventing Tobacco Use Among Young People* provides a more detailed look at adolescence, the time of life when most tobacco users begin, develop, and establish their behavior. Because regular use soon results in addiction to nicotine, this behavior may persist through adulthood, significantly increasing, through the extended years of use, the risk of long-term, severe health consequences.

Despite three decades of explicit health warnings, large numbers of young people continue to take up tobacco; currently, over three million adolescents smoke cigarettes, and over one million adolescent males currently use smokeless tobacco. Clearly, effective interventions are needed to prevent more young people from trying tobacco. To achieve significant long-term reductions in tobacco use and tobacco-related deaths in the United States, we must examine the nature and scope of adolescent tobacco use, consider the social, psychological, and marketing factors that influence young people in their decision to use tobacco products, and evaluate current efforts to prevent young people from becoming users. This report addresses the crucial problems of adolescent tobacco use.

Development of the Report

This report of the Surgeon General was prepared by the Office on Smoking and Health, National Center for Chronic Disease Prevention and Health Promotion, Centers for Disease Control and Prevention, Public Health Service, U.S. Department of Health and Human Services, as part of the department's responsibility, under Public Law 91-222 and Public Law 99-252, to report current information on the health effects of cigarette smoking and smokeless tobacco use to the United States Congress. This report is the first to focus on the problem of tobacco use among young people. Given the continuing onset of use in adolescence and the growing evidence of health consequences associated with early use, the report was seen as both needed and timely.

The current report has been produced through the efforts of experts in the medical, pharmacologic, epidemiologic, developmental, economic, behavioral, legal, and public health aspects of smoking and smokeless tobacco use among young people. Initial manuscripts for the report were prepared by 28 scientists who were selected for their expertise in specific content areas. This material was consolidated into chapters, each of which underwent peer review. The entire document was reviewed by a number of experts in the field, as well as by institutes and agencies within the U.S. Public Health Service. The final draft of the report was reviewed by the Assistant Secretary for Health and by the Secretary, Department of Health and Human Services.

Several concerns guided the development of this report. The first, which is addressed in Chapter 2, is whether tobacco use is associated with health consequences during the period of adolescence (broadly defined as ages 10 through 18, although research cited in this report varies somewhat in the ages considered adolescent). The long-term health consequences—that is, those that emerge in adulthood—have been the subject of extensive review and are widely acknowledged in the scientific and public literature. The chapter thus focuses on the serious health consequences, as well as the increased risk factors for subsequent health consequences, that are evident early in life among young smokers and smokeless tobacco users. Chapter 3 examines the epidemiologic patterns of tobacco use among the young. National data on trends in adolescent use are analyzed to determine the extent of the current problem, as well as to note changes in patterns of initiation and use. The factors that influence adolescents in their decision to use tobacco are examined in Chapter 4, which considers psychosocial risk factors, and Chapter 5, which examines the influence of tobacco advertising and promotion. The final concern, the focus of Chapter 6, was to assess what has been done—from the individual level to the legislative level—to prevent tobacco use among young people.

Major Conclusions

1. Nearly all first use of tobacco occurs before high school graduation; this finding suggests that if adolescents can be kept tobacco-free, most will never start using tobacco.
2. Most adolescent smokers are addicted to nicotine and report that they want to quit but are unable to do so; they experience relapse rates and withdrawal symptoms similar to those reported by adults.
3. Tobacco is often the first drug used by those young people who use alcohol, marijuana, and other drugs.

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4. Adolescents with lower levels of school achievement, with fewer skills to resist pervasive influences to use tobacco, with friends who use tobacco, and with lower self-images are more likely than their peers to use tobacco.
5. Cigarette advertising appears to increase young people's risk of smoking by affecting their perceptions of the pervasiveness, image, and function of smoking.
6. Communitywide efforts that include tobacco tax increases, enforcement of minors' access laws, youth-oriented mass media campaigns, and school-based tobacco-use prevention programs are successful in reducing adolescent use of tobacco.

Summary

Introduction

The health effects of cigarette smoking have been the subject of intensive investigation since the 1950s. Cigarette smoking is still considered the chief preventable cause of premature disease and death in the United States. As was documented extensively in previous Surgeon General's reports, cigarette smoking has been causally linked to lung cancer and other fatal malignancies, atherosclerosis and coronary heart disease, chronic obstructive pulmonary disease, and other conditions that constitute a wide array of serious health consequences (USDHHS 1989). More recent studies have concluded that passive (or involuntary) smoking can cause disease, including lung cancer, in healthy nonsmokers. In 1986, an advisory committee appointed by the Surgeon General released a special report on the health consequences of smokeless tobacco, concluding that smokeless tobacco use can cause cancer and can lead to nicotine addiction (USDHHS 1986). In the 1988 report, nicotine was designated a highly addictive substance, comparable in its physiological and psychological properties to other addictive substances of abuse (USDHHS 1988).

Considerable evidence indicates that the health problems associated with smoking are a function of the duration (years) and the intensity (amount) of use. The younger one begins to smoke, the more likely one is to be a current smoker as an adult. Earlier onset of cigarette smoking and smokeless tobacco use provides more life-years to use tobacco and thereby increases the potential duration of use and the risk of a range of more serious health consequences. Earlier onset is also associated with heavier use; those who begin to use tobacco as younger adolescents are among the heaviest users in adolescence and adulthood. Heavier users are more likely to experience tobacco-related health problems and are the least likely to quit smoking cigarettes or using smokeless tobacco. Preventing tobacco use among young people is therefore likely to affect both duration and intensity of total use of tobacco, potentially reducing long-term health consequences significantly.

Health Consequences of Tobacco Use Among Young People

Active smoking by young people is associated with significant health problems during childhood and adolescence and with increased risk factors for health problems in adulthood. Cigarette smoking during adolescence appears to reduce the rate of lung growth and the level of maximum lung function that can be achieved. Young smokers are likely to be less physically fit than young nonsmokers; fitness levels are inversely related to the duration and the intensity of smoking. Adolescent smokers report that they are significantly more likely than their nonsmoking peers to experience shortness of breath, coughing spells, phlegm production, wheezing, and overall diminished physical health. Cigarette smoking during childhood and adolescence poses a clear risk for respiratory symptoms and problems during adolescence; these health problems are risk factors for other chronic conditions in adulthood, including chronic obstructive pulmonary disease.

Cardiovascular disease is the leading cause of death among adults in the United States. Atherosclerosis, however, may begin in childhood and become clinically significant by young adulthood. Cigarette smoking has been shown to be a primary risk factor for coronary heart disease, arteriosclerotic peripheral vascular disease, and stroke. Smoking by children and adolescents is associated with an increased risk of early atherosclerotic lesions and increased risk factors for cardiovascular diseases. These risk factors include increased levels of low-density lipoprotein cholesterol, increased very-low-density lipoprotein cholesterol, increased triglycerides, and reduced levels of

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high-density lipoprotein cholesterol. If sustained into adulthood, these patterns significantly increase the risk for early development of cardiovascular disease.

Smokeless tobacco use is associated with health consequences that range from halitosis to severe health problems such as various forms of oral cancer. Use of smokeless tobacco by young people is associated with early indicators of adult health consequences, including periodontal degeneration, soft tissue lesions, and general systemic alterations. Previous reports have documented that smokeless tobacco use is as addictive for young people as it is for adults. Another concern is that smokeless tobacco users are more likely than nonusers to become cigarette smokers.

Among addictive behaviors such as the use of alcohol and other drugs, cigarette smoking is most likely to become established during adolescence. Young people who begin to smoke at an earlier age are more likely than later starters to develop long-term nicotine addiction. Most young people who smoke regularly are already addicted to nicotine, and they experience this addiction in a manner and severity similar to what adult smokers experience. Most adolescent smokers report that they would like to quit smoking and that they have made numerous, usually unsuccessful attempts to quit. Many adolescents say that they intend to quit in the future and yet remain unable to do so. Those who try to quit smoking report withdrawal symptoms similar to those reported by adults. Adolescents are difficult to recruit for formal cessation programs, and when enrolled, are difficult to retain in the programs. Success rates in adolescent cessation programs tend to be quite low, both in absolute terms and relative to control conditions.

Tobacco use is associated with a range of problem behaviors during adolescence. Smokeless tobacco or cigarettes are generally the first drug used by young people in a sequence that can include tobacco, alcohol, marijuana, and hard drugs. This pattern does not imply that tobacco use causes other drug use, but rather that other drug use rarely occurs before the use of tobacco. Still, there are a number of biological, behavioral, and social mechanisms by which the use of one drug may facilitate the use of other drugs, and adolescent tobacco users are substantially more likely to use alcohol and illegal drugs than are nonusers. Cigarette smokers are also more likely to get into fights, carry weapons, attempt suicide, and engage in high-risk sexual behaviors. These problem behaviors can be considered a syndrome, since involvement in one behavior increases the risk for involvement in others. Delaying or preventing the use of tobacco may have implications for delaying or preventing these other behaviors as well.

The Epidemiology of Tobacco Use Among Young People

Overall, about one-third of high-school-aged adolescents in the United States smoke or use smokeless tobacco. Smoking prevalence among U.S. adolescents declined sharply in the 1970s, but this decline slowed significantly in the 1980s, particularly among white males. Although female adolescents during the 1980s were more likely than male adolescents to smoke, female and male adolescents are now equally likely to smoke. Male adolescents are substantially more likely than females to use smokeless tobacco products; about 20 percent of high school males report current use, whereas only about 1 percent of females do. White adolescents are more likely to smoke and to use smokeless tobacco than are black and Hispanic adolescents.

Sociodemographic, environmental, behavioral, and personal factors can encourage the onset of tobacco use among adolescents. Young people from families with lower socioeconomic status, including those adolescents living in single-parent homes, are at increased risk of initiating smoking. Among environmental factors, peer influence seems to be particularly potent in the early stages of tobacco use; the first tries of cigarettes and smokeless tobacco occur most often with peers, and the peer group may subsequently provide expectations, reinforcement, and cues for experimentation. Parental tobacco use does not appear to be as compelling a risk factor as peer use; on the other hand, parents may exert a positive influence by disapproving of smoking, being involved in children's free time, discussing health matters with children, and encouraging children's academic achievement and school involvement.

How adolescents perceive their social environment may be a stronger influence on behavior than the actual environment. For example, adolescents consistently overestimate the number of young people and adults who smoke. Those with the highest overestimates are more likely to become smokers than are those with more accurate perceptions. Similarly, those who perceive that cigarettes are easily accessible and generally available are more likely to begin smoking than are those who perceive more difficulty in obtaining cigarettes.

Behavioral factors figure heavily during adolescence, a period of multiple transitions to physical maturation, to a coherent sense of self, and to emotional independence. Adolescents are thus particularly vulnerable to a range of hazardous behaviors and activities, including tobacco use, that may seem to assist in these transitions. Young people who report that smoking serves positive functions or is potentially useful are at increased risk for smoking. These functions are associated with

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bonding with peers, being independent and mature, and having a positive social image. Since reports from adolescents who begin to smoke indicate that they have lower self-esteem and lower self-images than their nonsmoking peers, smoking can become a self-enhancement mechanism. Similarly, not having the confidence to be able to resist peer offers of tobacco seems to be an important risk factor for initiation. Intentions to use tobacco and actual experimentation also strongly predict subsequent regular use.

The positive functions that many young people attribute to smoking are the same functions advanced in most cigarette advertising. Young people are a strategically important market for the tobacco industry. Since most smokers try their first cigarette before age 18, young people are the chief source of new consumers for the tobacco industry, which each year must replace the many consumers who quit smoking and the many who die from smoking-related diseases. Despite restrictions on tobacco marketing, children and adolescents continue to be exposed to cigarette advertising and promotional activities, and young people report considerable familiarity with many cigarette advertisements. In the past, this exposure was accomplished by radio and television programs sponsored by the cigarette industry. Barred since 1971 from using broadcast media, the tobacco industry increasingly relies on promotional activities, including sponsorship of sports events and public entertainment, outdoor billboards, point-of-purchase displays, and the distribution of specialty items that appeal to the young. Cigarette advertisements in the print media persist; these messages have become increasingly less informational, replacing words with images to portray the attractiveness and function of smoking. Cigarette advertising frequently uses human models or human-like cartoon characters to display images of youthful activities, independence, healthfulness, and adventure-seeking. In presenting attractive images of smokers, cigarette advertisements appear to stimulate some adolescents who have relatively low self-images to adopt smoking as a way to improve their own self-image. Cigarette advertising also appears to affect adolescents' perceptions of the pervasiveness of smoking, images of smokers, and the function of smoking. Since these perceptions are psychosocial risk factors for the initiation of smoking, cigarette advertising appears to increase young people's risk of smoking.

Efforts to Prevent the Onset of Tobacco Use

Most of the U.S. public strongly favors policies that might prevent tobacco use among young people. These policies include mandated tobacco education in schools, a complete ban on smoking by anyone on school grounds, further restrictions on tobacco advertising and promotional activities, stronger prohibitions on the sale of tobacco products to minors, and increases in earmarked taxes on tobacco products. Interventions to prevent initiation among young people—even actions that involve restrictions on adult smoking or increased taxes—have received strong support among smoking and nonsmoking adults.

Numerous research studies over the past 15 years suggest that organized interventions can help prevent the onset of smoking and smokeless tobacco use. School-based smoking-prevention programs, based on a model of identifying social influences on smoking and providing skills to resist those influences, have demonstrated consistent and significant reductions in adolescent smoking prevalence; these program effects have lasted one to three years. Programs to prevent smokeless tobacco use have used a similar model to achieve modest reductions in initiation of use. The effectiveness of these school-based programs appears to be enhanced and sustained, at least until high school graduation, by adding coordinated communitywide programs that involve parents, youth-oriented mass media and counteradvertising, community organizations, or other elements of adolescents' social environments.

A crucial element of prevention is access: adolescents should not be able to purchase tobacco products in their communities. Active enforcement of age-at-sale policies by public officials and community members appears necessary to prevent minors' access to tobacco. Communities that have adopted tighter restrictions have achieved reductions in purchases by minors. At the state and national levels, price increases have significantly reduced cigarette smoking; the young have been at least as responsive as adults to these price changes. Maintaining higher real prices of cigarettes provides a barrier to adolescent tobacco use but depends on further tax increases to offset the effects of inflation. The results of this review thus suggest that a coordinated, multicomponent campaign involving policy changes, taxation, mass media, and behavioral education can effectively reduce the onset of tobacco use among adolescents.

Summary

Smoking and smokeless tobacco use are almost always initiated and established in adolescence. Besides its long-term effects on adults, tobacco use produces specific health problems for adolescents. Since nicotine addiction also occurs during adolescence, adolescent tobacco users are likely to become adult tobacco users. Smoking and smokeless tobacco use are associated with other problem behaviors and occur early in the sequence of these behaviors. The outcomes of adolescent smoking

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and smokeless tobacco use continue to be of great public health importance, since one out of three U.S. adolescents uses tobacco by age 18. The social environment of adolescents, including the functions, meanings, and images of smoking that are conveyed through cigarette advertising, sets the stage for adolescents to begin using tobacco. As tobacco products are available and as peers begin to try them, these factors become personalized and relevant, and tobacco use may begin. This process most affects adolescents who, compared with their peers, have lower self-esteem and self-images, are less involved with school and academic achievement, have fewer skills to resist the offers of peers, and come from homes with lower socioeconomic status. Tobacco-use prevention programs that target the larger social environment of adolescents are both efficacious and warranted.

Chapter Conclusions

Following are the specific conclusions for each chapter of this report:

Chapter 2. The Health Consequences of Tobacco Use by Young People

1. Cigarette smoking during childhood and adolescence produces significant health problems among young people, including cough and phlegm production, an increased number and severity of respiratory illnesses, decreased physical fitness, an unfavorable lipid profile, and potential retardation in the rate of lung growth and the level of maximum lung function.
2. Among addictive behaviors, cigarette smoking is the one most likely to become established during adolescence. People who begin to smoke at an early age are more likely to develop severe levels of nicotine addiction than those who start at a later age.
3. Tobacco use is associated with alcohol and illicit drug use and is generally the first drug used by young people who enter a sequence of drug use that can include tobacco, alcohol, marijuana, and harder drugs.
4. Smokeless tobacco use by adolescents is associated with early indicators of periodontal degeneration and with lesions in the oral soft tissue. Adolescent smokeless tobacco users are more likely than nonusers to become cigarette smokers.

Chapter 3. Epidemiology of Tobacco Use Among Young People in the United States

1. Tobacco use primarily begins in early adolescence, typically by age 16; almost all first use occurs before the time of high school graduation.
2. Smoking prevalence among adolescents declined sharply in the 1970s, but the decline slowed significantly in the 1980s. At least 3.1 million adolescents and 25 percent of 17- and 18-year-olds are current smokers.
3. Although current smoking prevalence among female adolescents began exceeding that among males by the mid- to late-1970s, both sexes are now equally likely to smoke. Males are significantly more likely than females to use smokeless tobacco. Nationally, white adolescents are more likely to use all forms of tobacco than are blacks and Hispanics. The decline in the prevalence of cigarette smoking among black adolescents is noteworthy.
4. Many adolescent smokers are addicted to cigarettes; these young smokers report withdrawal symptoms similar to those reported by adults.
5. Tobacco use in adolescence is associated with a range of health-compromising behaviors, including being involved in fights, carrying weapons, engaging in higher-risk sexual behavior, and using alcohol and other drugs.

Chapter 4. Psychosocial Risk Factors for Initiating Tobacco Use

1. The initiation and development of tobacco use among children and adolescents progresses in five stages: from forming attitudes and beliefs about tobacco, to trying, experimenting with, and regularly using tobacco, to being addicted. This process generally takes about three years.
2. Sociodemographic factors associated with the onset of tobacco use include being an adolescent from a family with low socioeconomic status.
3. Environmental risk factors for tobacco use include accessibility and availability of tobacco products, perceptions by adolescents that tobacco use is

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normative, peers' and siblings' use and approval of tobacco use, and lack of parental support and involvement as adolescents face the challenges of growing up.

4. Behavioral risk factors for tobacco use include low levels of academic achievement and school involvement, lack of skills required to resist influences to use tobacco, and experimentation with any tobacco product.

5. Personal risk factors for tobacco use include a lower self-image and lower self-esteem than peers, the belief that tobacco use is functional, and lack of self-efficacy in the ability to refuse offers to use tobacco. For smokeless tobacco use, insufficient knowledge of the health consequences is also a factor.

Chapter 5. Tobacco Advertising and Promotional Activities

1. Many people continue to be a strategically important market for the tobacco industry.

2. Young people are currently exposed to cigarette messages through print media (including outdoor billboards) and through promotional activities, such as sponsorship of sporting events and public entertainment, point-of-sale displays, and distribution of specialty items.

3. Cigarette advertising uses images rather than information to portray the attractiveness and function of smoking. Human models and cartoon characters in cigarette advertising convey independence, health-fulness, adventure-seeking, and youthful activities—themes correlated with psychosocial factors that appeal to young people.

4. Cigarette advertisements capitalize on the disparity between an ideal and actual self-image and imply that smoking may close the gap.

5. Cigarette advertising appears to affect young people's perceptions of the pervasiveness, image, and function of smoking. Since misperceptions in these areas constitute psychosocial risk factors for the initiation of smoking, cigarette advertising appears to increase young people's risk of smoking.

Chapter 6. Efforts to Prevent Tobacco Use Among Young People

1. Most of the American public strongly favor policies that might prevent tobacco use among young people. These policies include tobacco education in the schools, restrictions on tobacco advertising and promotions, a complete ban on smoking by anyone on school grounds, prohibition of the sale of tobacco products to minors, and earmarked tax increases on tobacco products.

2. School-based smoking-prevention programs that identify social influences to smoke and teach skills to resist those influences have demonstrated consistent and significant reductions in adolescent smoking prevalence, and program effects have lasted one to three years. Programs to prevent smokeless tobacco use that are based on the same model have also demonstrated modest reductions in the initiation of smokeless tobacco use.

3. The effectiveness of school-based smoking-prevention programs appears to be enhanced and sustained by comprehensive school health education and by communitywide programs that involve parents, mass media, community organizations, or other elements of an adolescent's social environment.

4. Smoking-cessation programs tend to have low success rates. Recruiting and retaining adolescents in formal cessation programs are difficult.

5. Illegal sales of tobacco products are common. Active enforcement of age-at-sale policies by public officials and community members appears necessary to prevent minors' access to tobacco.

6. Econometric and other studies indicate that increases in the real price of cigarettes significantly reduce cigarette smoking; young people are at least as responsive as adults to such price changes. Maintaining higher real prices of cigarettes depends on further tax increases to offset the effects of inflation.

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infer that the risk of smoking-related cancer for sites other than the lungs would increase, at a given adult age, in inverse proportion to the age an adolescent begins smoking.

Recent studies indicate that earlier onset of cigarette smoking is also associated with heavier smoking (Taioli and Wynder 1991; Escobedo et al. 1993). Heavier smokers are not only more likely to experience tobacco-related health problems, they are the least likely to quit smoking (Hall and Terezhalmy 1984; USDHHS 1989). Early use of cigarettes thus appears to influence intensity as well as duration of use and increases the potential for long-term health consequences.

Nicotine Addiction in Adolescence

Introduction

Nicotine dependency through cigarette smoking is not only the most common form of drug addiction but the one that causes more death and disease than all other addictions combined (USDHHS 1988). Most human research on nicotine addiction has been conducted with adult subjects, but the basic biologic processes that underlie this dependency appear to be similar in adolescents and adults. The research literature on nicotine addiction examines its chemistry and addiction potential, its severity, and its pathophysiology and clinical course.

Background and Nomenclature

Drug addiction is the term most widely used to label various medical and social disorders related to the compulsive ingestion of psychoactive chemicals. The primary criteria for drug dependence are that the behavior is highly controlled or compulsive, the chemical is one whose mood-altering, or psychoactive effects are central elements of the drug's activity, and the drug itself has the demonstrated capability of reinforcing behavior (Table 4). The American Psychiatric Association (APA) has identified two medical disorders that pertain to nicotine addiction: nicotine dependence and nicotine withdrawal (APA 1987).

Nicotine dependence is classified as a psychoactive substance-use disorder characterized by "a cluster of cognitive, behavioral, and physiologic symptoms that indicate that the person has impaired control of psychoactive substance use and continues use of the substance despite adverse consequences" (APA 1987, p. 166). In the case of nicotine, the most common form of use is cigarette smoking, in part because the rapid absorption of nicotine through the processes of smoking "leads to a more intensive habit pattern that is more difficult to give up" than other forms of use (APA 1987, p. 181). Nicotine dependence also occurs through other routes of delivery, including smokeless tobacco and nicotine gum.

Nicotine withdrawal, an organic mental disorder induced by the removal of psychoactive substance, is described as "a characteristic withdrawal syndrome due to the abrupt cessation of or reduction in the use of nicotine-containing substances (e.g., cigarettes, cigars and pipes, chewing tobacco, or nicotine gum) that has been at least moderate in duration and amount. The syndrome includes craving for nicotine; irritability, frustration, or anger; anxiety; difficulty concentrating; restlessness; decreased heart rate; and increased appetite or weight gain" (APA 1987, p. 150).

Physical dependence refers to the condition in which withdrawal symptoms have been observed. Physical dependence can complicate the process of achieving and

Table 4. Criteria for drug dependence

Primary criteria
Highly controlled or compulsive use
Psychoactive effects
Drug-reinforced behavior
Additional criteria
Addictive behavior often involves the following:
Stereotypic patterns of use
Use despite harmful effects
Relapse following abstinence
Recurrent drug cravings
Dependence-producing drugs often manifest the following:
Tolerance
Physical dependence
Pleasant (euphoric) effects

Source: Adapted from USDHHS (1988).

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maintaining drug abstinence, and the symptoms can be so unpleasant as to precipitate relapse (Jaffe 1985; USDHHS 1988). In surveys by the National Institute on Drug Abuse (NIDA), withdrawal and inability to maintain abstinence are commonly attributed to cigarette smoking and heroin use (USDHHS 1988). The majority of people monitored who regularly use other addictive drugs (including cocaine and marijuana) report that they have not experienced withdrawal, even though many of these people feel dependent and have been unable to maintain abstinence (USDHHS 1988).

Severity of Nicotine Addiction

Tobacco-delivered nicotine can be highly addictive. Each year, nearly 20 million people try to quit smoking in the United States (USDHHS 1990), but only about 3 percent have long-term success (Pierce et al. 1989; Centers for Disease Control and Prevention [CDC], Office on Smoking and Health, unpublished data). Even among addicted persons who have lost a lung because of cancer or have undergone major cardiovascular surgery, only about 50 percent maintain abstinence for more than a few weeks (West and Evans 1986; USDHHS 1988). In a 1991 Gallup Poll, 70 percent of current smokers reported that they considered themselves to be "addicted" to cigarettes (Gallup Organization 1991). These findings are consistent with data from NIDA's 1985 National Household Survey on Drug Abuse (NHSDA), which showed that 84 percent of 12- through 17-year-olds who smoked one pack or more of cigarettes per day felt that they "needed" or were "dependent" on cigarettes (Henningfield, Clayton, Pollin 1990). The NHSDA data show that young smokers develop tolerance and dependence, increase the amount they smoke, and are unable to abstain from nicotine. These findings suggest that the addictive processes in adolescents are fundamentally the same as those studied in adults (USDHHS 1988; Henningfield, Clayton, Pollin 1990).

Several studies have found nicotine to be as addictive as heroin, cocaine, or alcohol (Henningfield, Clayton, Pollin 1990; Henningfield, Cohen, Slade 1991; Kozlowski et al. 1988). Moreover, because the typical pattern of tobacco use entails daily and repeated doses of nicotine, addiction is more common among all users than is true of other drug use, which tends to occur on a far less frequent basis (USDHHS 1988). For example, only about 10 to 15 percent of current alcohol drinkers are considered problem drinkers, but approximately 85 to 90 percent of cigarette smokers smoke at least five cigarettes every day (Henningfield, Cohen, Slade 1991; Evans et al. 1992; Henningfield 1992b; Kozlowski et al. 1993). Only 2 to 3 percent of smokers (or about 7 to 10 percent of those who try quitting) stop smoking for one year (CDC 1993a), and most daily smokers report that they feel dependent on smoking and have experienced withdrawal symptoms (USDHHS 1988; Henningfield, Clayton, Pollin 1990).

Chemistry and Addiction Potential

Many behaviors that become regular, habitual, and hard to give up involve the ingestion of a substance. What sets drug addictions apart from less harmful habits is that the ingested substance releases a psychoactive drug with the demonstrated potential to addict. Several thousand chemicals are present in cigarette smoke. Some may conceivably modulate nicotine's addictive effects, but the fact that different forms of nicotine delivery can be substituted for one another (e.g., nicotine gum or transdermal patch in place of cigarettes) suggests that nicotine is critical in the addiction process (Henningfield 1984; Benowitz 1988; USDHHS 1988; Russell 1990).

Nicotine is a naturally occurring alkaloid present in varying concentrations in different strains of tobacco. Most cigarettes sold in the United States contain about 8 to 9 milligrams of nicotine, of which the smoker typically ingests 1 to 2 milligrams per cigarette (Benowitz et al. 1983; USDHHS 1988). Nicotine is both a lipid- and water-soluble molecule that can be rapidly absorbed in a mildly alkaline environment through the skin or the lining of the mouth and nose. Because of the massive area for absorption in the alveoli of the lungs, nicotine inhaled deeply is almost immediately extracted from the smoke into the pulmonary veins; this sudden spike or bolus of nicotine is delivered to the brain, via arterial circulation, in approximately 10 seconds (USDHHS 1988). In contrast, although smokeless tobacco has much higher levels of nicotine than cigarettes, the delivery of the drug is much more gradual; the effect peaks within approximately 20 minutes of use (Benowitz et al. 1988). The peak for nicotine replacement medications is even slower—30 minutes or longer for nicotine gum (Benowitz et al. 1988), several hours for the four commercially available transdermal patch systems (Palmer, Bucklet, Faulds 1992). In fact, because of the efficiency of the pulmonary route in extracting nicotine from inhaled tobacco smoke, nicotine may be 10 times more concentrated in arterial blood than in simultaneously sampled venous blood; these levels are much higher than those produced by nicotine replacement medications (Henningfield, London, Benowitz 1990).

As vehicles for nicotine delivery, tobacco products are convenient to use, and they provide the experienced user with a means of regulating dose level. Such control does not, however, protect the user against drug dependency, since tobacco products appear to deliver the optimal addiction potential (or abuse liability) of nicotine. Chemicals can be tested for their addiction potential to

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Table 4. **Percentage of young people who currently smoke cigarettes (within the past 30 days), by gender, race/Hispanic origin, age/grade, and region, Teenage Attitudes and Practices Survey (TAPS), National Household Surveys on Drug Abuse (NHSDA), Monitoring the Future Project (MTFP), Youth Risk Behavior Survey (YRBS), United States, 1989, 1991, 1992**

Characteristic	1989 TAPS*	1991 NHSDA†	1992 MTFP‡§	1991 YRBS¶
Overall	15.7	13.1	27.8	27.5
Gender				
Male	16.0	13.5	29.2	27.6
Female	15.3	12.8	26.1	27.3
Race/Hispanic origin				
White, non-Hispanic	18.5	15.4	31.8	30.9
Male	18.7	15.5	32.1	30.2
Female	18.2	15.3	31.5	31.7
Black, non-Hispanic	6.1	5.3	8.2	12.6
Male	7.8	6.0	10.8	14.1
Female	4.9	4.6	5.8	11.3
Hispanic	11.8	10.1	NA**	25.3
Male	11.8	9.5		27.8
Female	11.7	10.8		22.9
Age/grade				
12–14 years	5.9	3.9		
15–16 years	17.5	14.0		
17–18 years	27.5	25.5		
8th grade			15.5	
9th grade				23.2
10th grade			21.5	25.2
11th grade				31.6
12th grade			27.8	30.6
Region				
Northeast	17.6	14.7	29.6	23.7
North Central	16.6	14.9	31.7	36.5
South	14.0	11.7	26.4	24.8
West	15.5	12.3	22.8	23.1

Sources: 1989 TAPS: Centers for Disease Control and Prevention (CDC), Office on Smoking and Health (OSH) (unpublished data); 1991 NHSDA: CDC, OSH (unpublished data); 1992 MTFP: Johnston, O'Malley, Bachman (in press); Institute for Social Research, University of Michigan (unpublished data); 1991 YRBS: CDC (1992c); CDC, Division of Adolescent and School Health (unpublished data).

*1989 TAPS, aged 12–18 years. Based on responses to the questions, "Have you ever smoked a cigarette?" and "Think about the last 30 days. On how many of these days did you smoke?"

†1991 NHSDA, aged 12–18 years. Based on response to the question, "When was the most recent time you smoked a cigarette?"

‡1992 MTFP survey. Based on response to the question, "How frequently have you smoked cigarettes during the last 30 days?"

§With the exception of data for 8th- and 10th-grade students, all other data points for the MTFP survey reflect estimates for high school seniors.

¶1991 YRBS, grades 9–12. Based on response to the question, "During the past 30 days, on how many days did you smoke cigarettes?"

**NA = Not available.

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Conclusions

1. Tobacco use primarily begins in early adolescence, typically by age 16; almost all first use occurs before the time of high school graduation.
2. Smoking prevalence among adolescents declined sharply in the 1970s, but the decline slowed significantly in the 1980s. At least 3.1 million adolescents and 25 percent of 17- and 18-year-olds are current smokers.
3. Although current smoking prevalence among female adolescents began exceeding that among males by the mid- to late-1970s, both sexes are now equally likely to smoke. Males are significantly more likely than females to use smokeless tobacco. Nationally, white adolescents are more likely to use all forms of tobacco than are blacks and Hispanics. The decline in the prevalence of cigarette smoking among black adolescents is noteworthy.
4. Many adolescent smokers are addicted to cigarettes; these young smokers report withdrawal symptoms similar to those reported by adults.
5. Tobacco use in adolescence is associated with a range of health-compromising behaviors, including being involved in fights, carrying weapons, engaging in higher-risk sexual behavior, and using alcohol and other drugs.

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The Role of Advertising and Promotion in the Marketing of Tobacco Products

Introduction

Businesses use advertising and promotion to influence the marketplace—to prepare a place for their product by signaling how it meets an existing or newly perceived need of the consumer. In the following discussion of such tactics for the tobacco-product marketplace, "advertising" refers to company-funded advertisements that appear in paid media (e.g., broadcasts, magazines, newspapers, outdoor advertising, and transit advertising), whereas "promotion" includes all company-supported nonmedia activity (e.g., direct-mail promotions, allowances, coupons, premiums, point-of-purchase displays, and entertainment sponsorships).

The general role of advertising is to communicate accurate information and to influence attitudes and beliefs (Kotler 1991). The information that advertising communicates can be either factual (e.g., product ingredients or features) or suggestive (e.g., images of types of people who might use a product or associations of a product with a certain setting or emotion). Much of the regulatory activity for advertising is directed at factual communication; most of the criticism of advertising is directed at suggestive communication—at the images it creates and at the potentially misleading implications of user benefits that can be drawn from those images (Kotler and Armstrong 1991).

Advertising can be used to create primary demand—that is, to bring new users of a product category into the marketplace (Ray 1982). These users are attracted by advertising that demonstrates how a particular product can satisfy a customer need, either physical or psychological, that is currently unfilled, unmet or unsatisfied. Users also can be brought into a product marketplace by advertising that causes them to feel a previously unacknowledged need for a particular product. Primary demand can be increased through generic category advertising (such as trade association advertising for commodities like milk or beef). The advertising of a specific brand can sometimes both promote that brand and increase demand for an overall product category; for example, advertising for a particular computer can promote computers in general for first-time buyers.

Advertising also can be used to create selective (or secondary) demand—that is, to convince consumers to switch from one specific brand of product to another (McCarthy and Perreault 1984). Creating selective demand calls for advertising that demonstrates a brand's superior performance, price, or value. Alternatively, advertising can create selective demand by projecting that a brand has a more desirable image than its competitors (such as Avis Rent A Car's well-known slogan, "We're number two . . . but we try harder").

Consumers overestimate the effect of advertising on overall market factors, but underestimate its effect on them personally (Bauer and Greyser 1968). Thus, consumers may criticize advertising as being dishonest and manipulative, but they are unlikely to be able to provide examples of purchases they have made because of what they would consider advertising dishonesty or manipulation. In fact, they are unlikely to be able to identify any purchases they have made because of advertising. For most products, the role of advertising is to create in the consumer a structure of attitudes and beliefs about a product that will facilitate its purchase when the consumer is stimulated by a behavioral prod (Ray 1982). That prod can come from the social environment (for example, from another consumer's recommending the product), from a retailer, or from a promotional incentive, such as a coupon or a free sample.

The actual purchase of a product or service in a marketplace thus is often achieved by marketers' use of a specific promotion (Popper 1986; Davis and Jason 1988). Such activities are used to build on consumers' attitudinal predispositions and lead consumers to act. Promotion, in fact, is the fastest-growing category of all product marketing activity (Kotler 1991). This growth is partly a response to the proliferation of advertising as well as to the limited direct effect that advertising has been found to have on people's actions. Over the past few decades, the superabundance of advertising messages has made it increasingly difficult for a given ad to rise above the clutter of competing messages both in its own product category and in the plethora of advertisements in general. This competition is particularly true for products with well-established images and reputations. Thus, profit return of even a successful advertising expenditure may eventually diminish. Accordingly, the best sales returns for most industries result from effective advertising and promotion working in concert.

Promotional activities can take many forms. Promotional expenditures can stimulate retailers to place and display products in ways that will maximize the opportunity for purchase (e.g., supplying retailers with point-of-purchase displays to locate products at

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checkout stands). Coupons reduce the price a consumer pays for products and thereby reduce the consumer's cost-sensitivity, which may be a substantial barrier to making a purchase (McCarthy and Perreault 1993). Premiums (e.g., including a cigarette lighter in the purchase price or even within the actual packaging of a box or carton of cigarettes) reduce cost-sensitivity by increasing (or appearing to increase) the value of a purchase. Free samples do away with cost-sensitivity altogether and actually give consumers an opportunity to try something new (Popper 1986; Davis and Jason 1988). Promotional activities such as these are more likely than advertising alone to lead consumers to purchase a product more than once—a pattern sought by all manufacturers.

Cigarette Advertising and Promotional Expenditures

In 1990, cigarette advertising and promotional expenditures grew to almost $4 billion (see Table 1), making cigarettes the second most promoted consumer products (after automobiles) in the United States. These expenditures occurred at a time when domestic sales of cigarettes and adult per-capita consumption were at relatively low levels although domestic revenues continued to increase (Table 2). Advertising and promotional expenditures account for 10 to 12 percent of the revenue generated by the tobacco industry in the United States. More than three quarters of these expenditures were for promotional activities, which had steadily increased to over $3 billion, while advertising expenditures for cigarettes dropped to $887 million (Federal Trade Commission [FTC] 1992). The decline in cigarette advertising came principally from reductions in print advertising (a 14 percent drop in magazine advertising and a 7 percent drop in newspaper advertising) to their lowest level (in constant 1990 dollars) since the ban on broadcast advertising came into effect in January 1971 and the tobacco industry focused advertising attention on print media.

In 1990, expenditures for outdoor advertising and transit posters for cigarettes were at an all-time high of $495 million (see Table 3). The largest category of cigarette promotion that year was that of coupon use and retail value-added promotions, which at $1.2 billion represented nearly 30 percent of all cigarette advertising and promotional expenditures. The cigarette companies spent just over $1 billion on promotional allowances, which included the money that cigarette companies paid to retailers for shelf space (slotting allowances), cooperative advertising allowances, and trade (wholesaler) allowances. Cigarette companies spent over $300 million on point-of-purchase materials in 1990. These expenditures for displays were roughly equivalent (within 10 percent) to cigarette company expenditures on magazine advertising. The substantial increases in retail-oriented expenditures reflect an aggressive cigarette marketplace in which companies vie for larger shares of decreasing numbers of cigarette smokers.

In 1990, the cigarette companies also expended over $125 million on public entertainment (including sponsorship of sporting events and concerts). Total advertising and promotional expenditures for cigarettes included over $108 million for sports and sporting events alone. The cigarette companies reported no expenditures in 1990 for endorsements or testimonials or for having their brand names or tobacco products appear in any motion picture or television shows (FTC 1992). In contrast, movies in the 1980s were sometimes used to promote specific brands of cigarettes and other products (Magnus 1985).

Cigarettes continue to be one of the most heavily advertised products in print media (Centers for Disease Control [CDC] 1990). In 1988, cigarettes ranked first among products advertised in outdoor media, second in magazines, and sixth in newspapers. When advertising expenditures for these three print media are combined, cigarettes were the second most heavily advertised product after passenger cars (CDC 1990). These expenditures for cigarette advertising represent a drop, however, from the total advertising expenditures in these media in 1985 and are consistent with the cigarette industry's shift in emphasis to promotional activities.

One of the indirect consequences of advertising and promotional spending is that the media, reluctant to jeopardize the income that accompanies cigarette advertising, are inhibited in their coverage of the health risks of smoking. Warner, Goldenhar, and McLaughlin (1992) examined 99 magazines published in the United States from 1959 through 1969 and from 1973 through 1986 to assess the probability that the number of articles a magazine published on the health consequences of smoking would reflect whether they carried cigarette advertisements and what proportion of their revenues were derived from cigarette advertisements. Magazines that did not carry cigarette advertisements were more than 40 percent more likely to cover the health consequences of smoking than were magazines that carried such advertising. For women's magazines, the likelihood increased to 230 percent; a 1 percent increase in the share of advertising revenue derived from cigarette advertisements was found to decrease by nearly 2 percent the probability of these magazines' carrying articles on the risks of smoking. Numerous other studies and reports on this aspect of cigarette advertising were discussed in the 1989 Surgeon General's report on smoking and health (U.S. Department of Health and Human Services [USDHHS] 1989) and reinforce the general conclusion that despite

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Table 1. Domestic cigarette advertising and promotional expenditures, 1963–1990

Year	Total advertising[a] dollars (in millions)	Total promotional[b] dollars (in millions)	Total advertising and promotional dollars (in millions)	Advertising as percentage of total dollars
1963	228.9	13.2	249.5	91.7
1964	240.9	14.6	261.3	92.2
1965	242.3	14.7	263.0	92.1
1966	272.7	17.9	297.5	91.7
1967	285.6	20.3	311.9	91.6
1968	283.1	21.6	310.7	91.1
1969	283.6	13.4	305.9	92.7
1970	296.6	64.4	361.0	82.1
1971	220.4	27.0	251.6	87.6
1972	226.7	22.9	257.6	88.0
1973	220.9	15.2	247.5	89.3
1974	266.5	31.1	306.8	86.9
1975	330.8	160.4	491.3	67.3
1976	425.9	213.2	639.1	66.6
1977	505.8	273.6	779.5	64.9
1978	543.1	331.9	875.0	62.1
1979	682.8	400.6	1,083.4	63.0
1980	790.1	452.2	1,242.3	63.6
1981	899.3	648.3	1,547.7	58.1
1982	923.2	870.6	1,793.8	51.5
1983	910.8	990.0	1,900.8	47.9
1984	930.2	1,065.0	2,095.2	44.4
1985	932.0	1,544.4	2,476.4	37.6
1986	796.3	1,586.0	2,382.4	33.4
1987	719.2	1,861.3	2,580.5	27.9
1988	824.5	2,450.4	3,274.9	25.2
1989	868.3	2,748.7	3,617.0	24.0
1990	835.2	3,156.9	3,992.0	20.9

Source: Federal Trade Commission (1992).

[a]Includes print advertising in newspapers, magazines, billboards, and public transit and (until ban effective January 1, 1971) on television and radio.

[b]Includes promotional allowances, sampling distributions, specialty item distribution, public entertainment, direct mail, endorsements, testimonials, coupons, audio-visual, and retail value-added, point-of-sale advertising, except for 1963–1974 and 1971–1974; for 1963–1969 and 1971–1974, only direct mail expenditures are included ("others" category not included).

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Table 2. Domestic cigarette sales and per capita consumption, 1963–1990

Year	Total number of cigarettes sold (in billions)	Cigarette consumption (per capita)	Cigarette sales revenue (in millions)	Total advertising and promotional dollars (in millions)
1963	516.5	4,286	NA*	249.5
1964	505.0	4,143	NA	261.3
1965	521.1	4,196	NA	263.0
1966	529.9	4,197	NA	297.5
1967	525.8	4,175	NA	311.9
1968	540.8	4,145	NA	310.7
1969	527.8	3,986	NA	305.9
1970	534.2	3,969	NA	361.0
1971	547.9	3,982	NA	251.6
1972	561.7	4,018	NA	257.6
1973	584.7	4,112	NA	247.5
1974	594.5	4,110	NA	306.8
1975	603.2	4,095	NA	491.3
1976	609.9	4,068	NA	639.1
1977	612.6	4,015	15,594	779.5
1978	615.8	3,965	16,856	875.0
1979	621.8	3,937	17,668	1,083.4
1980	628.2	3,858	19,035	1,242.3
1981	636.5	3,818	20,822	1,547.7
1982	632.5	3,733	22,093	1,793.8
1983	603.6	3,513	25,724	1,900.8
1984	608.4	3,497	27,370	2,095.2
1985	599.3	3,400	28,918	2,476.4
1986	586.4	3,288	30,293	2,382.4
1987	575.4	3,190	32,145	2,580.5
1988	560.7	3,073	33,042	3,274.9
1989	525.6	2,846	37,048	3,617.0
1990	523.7	2,829	39,616	3,992.1

Sources: Federal Trade Commission (1992); U.S. Department of Commerce (1992a, b).
*NA = Not available.

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decades of awareness of the dangers of tobacco use, media managers are reluctant to turn away the revenue enjoyed from cigarette advertising (Kessler 1989; Tye 1990).

Smokeless Tobacco Advertising and Promotional Expenditures

In 1986, a report of the Advisory Committee to the Surgeon General concluded that use of smokeless tobacco represents a significant health risk, is not a safe substitute for cigarette smoking, can cause oral cancers, and can lead to nicotine addiction and dependence (USDHHS 1986). In the same year, Congress passed the Comprehensive Smokeless Tobacco Health Education Act (CSTHEA) of 1986 (Public Law 99-252). The act required that (1) the public be informed of any health dangers of smokeless tobacco use, (2) smokeless tobacco advertising and packaging include three rotated warning labels (except on outdoor billboards, which could bear any one of the three warning labels), and (3) smokeless tobacco advertising be restricted from radio and television. The CSTHEA also encouraged legislation to make age 18 the minimum age to purchase smokeless tobacco; by 1993, all 50 states and the District of Columbia had passed such legislation (Office on Smoking and Health, unpublished data).

The 1986 Advisory Committee Report to the Surgeon General and the 1986 CSTHEA were responses to increasing evidence both that smokeless tobacco use compromised health and that increasing numbers of Americans apparently perceived smokeless tobacco as a safe alternative to cigarette smoking. Annual U.S. consumption of smokeless tobacco had increased substantially between 1972 and 1985 (USDHHS 1986). Although the amount (in pounds) of smokeless tobacco sold declined from 1985 through 1988, amounts increased during the following three years (Table 4). By 1991, annual consumption of smokeless tobacco products in the United States had returned to its 1985 level of over 120 million pounds (FTC 1993).

The increases in the use of smokeless tobacco from the 1970s to the mid-1980s can be attributed to more aggressive marketing by the smokeless tobacco industry, new smokeless tobacco products, the teaming of smokeless tobacco with well-known sports and entertainment personalities, the increased accessibility of smokeless tobacco products, and a growing market of young males (Christen 1980; Glover, Christen, Henderson 1981; USDHHS 1992a, b; see "Environmental Factors in the Initiation of Smokeless Tobacco Use" in Chapter 4). One of the primary aims of advertising and promotional activities during the past two decades was to attract people to try smokeless tobacco (Glover, Christen, Henderson 1981; Tye, Warner, Glantz 1987). The strategy was evidently a success. In 1970, men over the age of 55 (presumably longtime users) were the heaviest users of moist snuff; by 1985, the usage rate was two times higher among males aged 16 through 19 than among older men (USDHHS 1992b).

In 1991, the United States Tobacco Company, one of five major tobacco companies that produce smokeless tobacco products in the United States, produced 87 percent of the moist snuff consumed (USDHHS 1992b). The company's most popular products, Copenhagen and Skoal, were also the most popular among adolescent users. Advertisements for these products have stressed that smokeless tobacco is easy to use, that it is convenient "in places where you can't light up," and that "a pinch is all it takes." By providing explicit instructions for use (sometimes delivered by well-known professional athletes) and by suggesting that the product could be used without adult detection, smokeless tobacco advertisements have appeared to target male adolescents (Christen 1980; USDHHS 1992b).

Promotional activities for smokeless tobacco have gained increasing importance since the CSTHEA of 1986, in part because radio and television advertising were banned by the act. Advertising and promotional expenditures for smokeless tobacco decreased each year from 1985 through 1987, then increased yearly from 1988 through 1991, along with yearly smokeless tobacco sales figures (Table 4). Of these expenditures, public entertainment sponsorship was the largest single advertising and promotional spending category from 1986 through 1990; over $21 million was allocated in 1991 (FTC 1993). In 1991, expenditures to provide consumers with cents-off coupons and retail value-added promotions, such as buy-one-get-one-free offers or specialty advertising gifts given at points of sale, became the largest spending category (over $23 million allocated). Public entertainment sponsorship and specialty advertising gifts appear to particularly appeal to male adolescents, even if the smokeless tobacco industry does not explicitly target teens (USDHHS 1992b).

Of particular note is the use of product sampling of smokeless tobacco products. In 1978, the United States Tobacco Company ran advertisements in *Sports Illustrated* for free samples of fruit-flavored, low-nicotine snuff products for beginners (Tye, Warner, Glantz 1987); the samples were accompanied by instructions on how to use smokeless tobacco. Currently, the smokeless tobacco industry's voluntary code on sampling prohibits sampling to those under 18 years old (Davis and Jason 1988); this restriction nonetheless permits the marketing of smokeless tobacco on college campuses.

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Table 3. Domestic cigarette advertising and promotional expenditures,* 1986–1990

Expenditures	1986 (in thousands)	% of total	1987 (in thousands)	% of total
Newspapers	119,629	5.0	95,810	3.7
Magazines	340,160	14.3	317,748	12.3
Outdoor	301,822	12.7	269,778	10.5
Transit	34,725	1.5	35,822	1.4
Point-of-purchase	135,541	5.7	153,494	5.9
Promotional allowances	630,036	26.4	702,730	27.2
Sampling distribution	98,866	4.1	55,020	2.1
Speciality item distribution	210,128	8.8	391,351	15.2
Public entertainment	71,139	3.0	71,389	2.8
Direct mail	187,057	7.9	187,931	7.3
Event sponsorship and testimonials	84	–	376	–
Coupons and retail value-added	–	–	–	–
All others	252,570	10.6	299,355	11.6
Total[3]	2,382,357	100.0	2,580,504	100.0

Source: Federal Trade Commission (1992).
*In U.S. dollars.
[2]Expenditures for audiovisuals are included in the "all others" category to avoid disclosure of individual company data.
[3]Because of rounding, sums of percentages may not equal 100.

A History of Cigarette Advertising to the Young

Ads Targeting Women

In the first quarter of the twentieth century, cigarette firms demonstrated their ability to target and develop specific market segments. In the 1920s, cigarette smokers were predominately males, but the industry recognized females as a large and potentially lucrative market segment open to development. Encouraging the growth of smoking among women was an explicit goal of industry leaders and the focus of both advertising and major public relations efforts. The American Tobacco Company hired advertising expert A. D. Lasker of Lord & Thomas to work on Lucky Strike advertising. Previously, Lasker had successfully handled the delicate problem of advertising sanitary products (i.e., the Kotex brand

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1988 (in thousands)	% of total	1989 (in thousands)	% of total	1990 (in thousands)	% of total
105,783	3.2	76,993	2.1	71,174	1.8
355,065	10.8	380,393	10.5	328,143	8.2
318,293	9.7	358,583	9.9	375,627	9.4
44,179	1.4	52,294	1.4	60,249	1.5
222,489	6.8	241,809	6.7	303,855	7.6
879,703	26.9	999,843	27.6	1,021,427	25.6
74,531	2.3	57,771	1.6	100,893	2.5
196,003	5.8	262,432	7.3	307,037	7.7
88,072	2.7	92,120	2.5	125,094	3.1
42,545	1.3	45,498	1.3	51,875	1.3
6,781	—	—	—	—	—
874,127	26.7	959,965	26.5	1,183,798	29.6
78,366	2.4	89,290	2.5	62,917	1.6
3,274,453	100.0	3,616,993	100.0	3,992,008	100.0

Produced by RJRTC in HUMPHREY

to women. His cigarette campaign began in the 1920s with an advertising budget of $400,000, which grew to $19 million by 1931. This budget supported a print advertising campaign that featured women and associated cigarettes with the attribute of bodily slimness. The principal selling idea was that smoking was an aid to diet behavior and weight control—a notion explicitly communicated by the slogan, "Reach for a Lucky Instead of a Sweet" (Gunther 1960).

The American Tobacco Company viewed the prospect of reaching the potential female market as "opening a new gold mine right in our front yard" (Bernays 1965, p. 383). Through Edward Bernays, perhaps the nation's most famous public relations consultant, the American Tobacco Company hired A. A. Brill, a psychoanalyst who advised the company to promote cigarettes as "symbols of freedom" (Bernays 1965, p. 386). Bernays then organized women to smoke in public in the 1929 New York Easter Parade (Schudson 1984) and to carry placards identifying their cigarettes as "torches of liberty" (Bernays 1965, p. 197). Photos and articles were distributed to small-town newspapers across the nation (Schudson 1984). Bernays called this public relations activity "the engineering of consent" (Bernays 1965, p. 390).

Advertising for other firms and brands also increasingly featured women and aimed advertising at women. In 1926, the Chesterfield brand of Liggett & Myers displayed a young woman saying, "Blow Some My Way" (Howe 1984). This ad precipitated public

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Table 4. Smokeless tobacco sales and advertising expenditures, 1985–1991

Year	Sales		Advertising and promotion expenditures (U.S. $)
	Total pounds sold	Revenues (U.S. $)	
1985	121,449,115	730,618,970	80,068,229
1986	118,778,334	797,777,885	76,676,706
1987	116,540,281	852,717,347	67,777,044
1988	114,435,233	901,654,382	68,223,671
1989	116,437,890	981,637,304	81,200,611
1990	117,415,326	1,091,170,201	90,101,355
1991	120,110,686	1,237,961,670	104,004,042

Source: Federal Trade Commission (1993).

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outrage at the attempts to encourage women to smoke, yet prompted the envy and emulation of many other cigarette marketers (Wood 1958). Later, various cigarette campaigns targeted and featured women, including Hollywood movie stars, winners of the Miss America beauty pageant, women in heroic World War II roles, mothers (for Mother's Day), and brides (Howe 1984; Ernster 1986). Some of these campaigns explicitly portrayed cigarette smoking as appropriate for the young. For example, a Lorillard campaign that showed a woman running on the beach encouraged viewers to "Light an Old Gold for young ideas."

Ads Targeting Young People

From the time of the earliest marketing campaigns, parents, educators, and policy makers worried about the exposure—intentional or not, it was inevitable—of young people to cigarette advertising. These concerns were not misplaced. For example, one variant of the American Tobacco Company's campaign for Lucky Strike in the 1920s depicted a young woman and a very young man "breaking the chains of the past" to reach for opportunity and an open pack of cigarettes (Anderson 1929). In 1929, a Senate proponent of amendments to the Pure Food and Drug Act declared, "Not since the days when the vendor of harmful nostrums was swept from our streets, has this country witnessed such an orgy of buncombe, quackery and downright falsehood and fraud as now marks the current campaign promoted by certain cigarette manufacturers to create a vast woman and child market" (Schudson 1984, pp. 194–5).

Such protests had little effect on the tobacco industry's marketing plans. Despite the increased overall number of smokers in the 1920s, 1930s, and 1940s, the industry considered it strategically important to continue efforts to recruit more young consumers. In 1950, for example, a tobacco industry trade journal reported the following industry perception: "A massive potential market still exists among women and young adults, cigarette industry leaders agreed, acknowledging that recruitment of these millions of prospective smokers comprises the major objective for the immediate future and on a long term basis as well" (*United States Tobacco Journal* [*USTJ*] 1950b, p. 1). And at a 1955 press conference announcing redesigned brand packaging, the president of the Philip Morris Companies made it clear that appealing to the young was a deliberate, strategic focus for the company: "We wanted a new, bright package that would appeal to a younger market" (*Tide* 1955, p. 31). The company's ad director was even more explicit: "Our ads are now aimed at young people and emphasize gentleness" (i.e., ease of smoking) (*Tide* 1955, p. 31). A few years later, Philip Morris launched a comic strip campaign featuring a "handsome, rough and ready" adventure hero, "Duke Handy." The comic strip was placed in the Sunday color comic sections of 40 newspapers in a national network. Behind this comic strip was a "heavy promotional campaign" that included "stories and ads in major newspapers on the schedule, Duke Handy campaign buttons, truck posters, newspaper display cards, newsboy competitions and supporting publicity and promotional activities" (*USTJ* 1958a, p. 7).

These youth-oriented marketing strategies prevailed even in the face of increasing reports from scientists warning of the health risks of smoking. In 196 *Fortune* magazine observed that "several recent studies show that teenagers have not been much impressed by any anti-smoking campaigns" (*Fortune* 1963, p. 101). One of the studies discussed in this *Fortune* article Gilbert Research, a firm specializing in research on t

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habits and interests of young people, reported that estimates of smoking rates among adolescents aged 13 through 19 had increased from 25 percent in 1961 to 35 percent in 1963. That study also found that 44 percent of graduating seniors smoked. The *Fortune* article linked this reported increase to advertising: "Cigarette ads often portray and seem to be pitched directly at young people" (p. 120).

Promotion Through Radio and Television

Cigarette sellers were among the most enthusiastic pioneers in the use of radio network broadcasting for coast-to-coast advertising. By 1930, the American Tobacco Company, Brown & Williamson, Lorillard, and R.J. Reynolds were all buying network radio time (Dunlap 1931). The American Tobacco Company's Lucky Strike brand sponsored many radio comedies and musical shows, such as *The Jack Benny Show*, *The Kay Kayser Kollege of Musical Knowledge*, and the best-known and longest running of the popular music shows, *The Lucky Strike Hit Parade*. This radio show, which started in 1928 and ran into the 1950s on television, appealed to a young audience; it featured, for example, teen idol Frank Sinatra when he was launching his career (Cone 1969). So popular was the show in 1936 that when its producers introduced a sweepstakes promotion offering free cartons of "Luckies" for correctly guessing each week's three most popular tunes, the promotion drew nearly seven million entries per week (Hettinger and Neff 1938).

By the early 1930s, R.J. Reynolds was sponsoring radio programs that were popular with youth, such as the *Camel Pleasure Hour*, *The All Star Radio Revue*, and the enduring *Camel Caravan*, which featured the swing music of Benny Goodman (Tilley 1985). In 1938, the Chesterfield brand of Liggett & Myers signed Glenn Miller and the Andrew Sisters to replace Paul Whiteman (Marin 1980). Artie Shaw appeared for Lorillard's Old Gold cigarettes, and Tommy Dorsey appeared for Brown & Williamson's Kool and Raleigh brands (Lewine 1970). The heavily commercial nature of these shows is hard to imagine by today's standard. A single hour of the *Raleigh Review*, for example, contained 70 promotional references to Raleigh cigarettes (Fox 1984).

Market research studies guided the selection of musical shows and styles that appealed to young people of various ages. For example, the market research files of the J. Walter Thompson Company, then advertising Old Golds for Lorillard, included the following market research studies for 1941 and 1942: Survey of Sales at Colleges, Survey of Dealers in 32 Colleges, Remembrance Check on "Apple" Campaign Among College Students, Report by Crossley on New York City Youth Interests in Radio Programs, and Radio Preferences Among Teenage Boys and Girls (Pollay 1988).

The successful use of radio led the cigarette industry to pioneer in television advertising. By 1950, more than seven hours per week were being sponsored by cigarette sellers. An editorial in that year's *United States Tobacco Journal* pronounced cigarette companies "the dominant factor in television advertising sponsorship"—evidence of the companies' faith that "it is an historically demonstrated certainty that the more people subjected to intelligent advertising, the more people will buy the product advertised" (*UST]* 1950a, p. 4). By the early 1960s, tobacco companies were spending the majority of their total promotional budget on television advertising (*Advertising Age* [*AA*] 1963m, n). Their trust in the efficacy of advertising in this medium led to record-setting promotional spending (*AA* 1963b, 1964f), corresponding sales growth (*AA* 1963k), and increased profits (*AA* 1963p; *UST]* 1963c).

Promotion Through Schools

Promotional activities sometimes advanced into the nation's schools. In 1948, Liggett & Myers Tobacco Company provided high schools with free football programs; a scorecard at the center of the program was in effect a two-page advertisement for Chesterfield cigarettes. Public complaints apparently led to the cancellation of this particular campaign, despite the fact that cigarette advertisers had previously supplied such programs for football and other high school sports (*Tide* 1948). In 1953, plastic-coated book covers featuring school logos on the front and cigarette ads on the back were being used to promote Old Gold cigarettes to students in most of the country's 1,800 colleges and in more than a third of its 25,000 high schools (*AA* 1953b).

College students in particular held great marketing potential for the tobacco industry in the 1950s. As Philip Morris Public Relations Director James Bowling explained: "Research and experience proved that the consumer, at this age and experience level, is more susceptible to change, has far-reaching influence value, and is apt to retain brand habits for a longer period of time than the average consumer reached in the general market. Therefore, though the advertising cost per thousand in the college market is relatively high, the actual expenditure can be a great deal more efficient" (Gilbert 1957, p. 184).

In the 1950s, the American Tobacco Company targeted college students with its largest ever Lucky Strike campaign, which used college newspapers, campus radio stations, football programs, and extensive campus sampling and tie-in promotions (*AA* 1953a). A research firm specializing in young people reported that cigarette firms were spending about $5 million per year on college promotions in the 1950s. It noted that most of these college students had started smoking at earlier ages, and that "continual exposure to advertising to adults through

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the different media has its effects on young people" (Gilbert 1957, p. 183).

Promotional efforts targeting college students were estimated by the President of the Student Marketing Institute to have doubled in the five years leading up to 1962. During those years, promotional tactics for the 20 brands active on college campuses included free samples distributed by student "representatives" paid by specific tobacco companies. Brown & Williamson, for example, employed 17 salesmen on college campuses (Neuberger 1964). Philip Morris paid 166 campus representatives $50 a month to distribute free cigarettes. Philip Morris also ran a college contest offering record players in exchange for collected empty packages. In New York's Cortland State College, Alpha Delta Delta (a sorority for physical education teachers in training) won several prizes by collecting packages accounting for 1,520,000 cigarettes (Neuberger 1964). College students were awarded cars as prizes in contests run by the Liggett & Myers Tobacco Company (*UST* 1965). Cigarettes ads accounted for an estimated 40 percent of the national advertising incomes of the 850 college newspapers in the National Advertising Service (Brecher et al. 1963).

Sponsorship of Sports

Sports sponsorships were another common means to promote specific brands. Professional sports teams were given financial support by tobacco companies. Liggett & Myers had long been associated with baseball, regularly sponsoring games and using athletes' testimonials (*AA* 1963s). In 1963, R.J. Reynolds sponsored eight different baseball teams, and the American Tobacco Company sponsored six more. Football was also used to reach large audiences and to associate cigarettes with athleticism. Phillip Morris, which used athletes' endorsements of its Marlboro brand primarily to appeal to blacks (Pollay, Lee, Carter-Whitney 1992), sponsored National Football League games on CBS (*AA* 1963l) and the league championship games on NBC (*AA* 1963s). Also in 1963, the American Tobacco Company used New York Giants star Frank Gifford in advertisements for Lucky Strikes (*AA* 1963g), Brown & Williamson sponsored football bowl games (*AA* 1963d), and Lorillard had signed to sponsor the Olympic Games of 1964 and was already broadcasting previews (*AA* 1963u).

Criticism of Advertising and Promotional Activities

During these early years of the 1960s, there were criticisms of these successful selling efforts of the cigarette advertisers, just as there are currently. The criticisms were a reaction to the continued increase in cigarette sales among teens despite the growing and still newsworthy concern among scientists that smoking caused cancer. Much of this criticism and concern, however, was muted in the public forum by the reluctance of the media to jeopardize its lucrative cigarette sponsorships (*AA* 1963a). On the other hand, some noncommercial media, like *Reader's Digest*, which does not accept income for advertising, questioned the propriety of media industry behavior. Such questions were also raised in the publication, *The Consumers Union Report on Smoking and the Public Interest* (*AA* 1963r; Brecher et al. 1963). The Surgeon General's first report on smoking and health was imminent at this time and was anticipated with widespread discussion of the legislative responses it might precipitate (*AA* 1963i; Cohen 1963). Much of this talk focused on the industry's sponsorship of sports, on its use of athletes' endorsements, and on advertising copy appealing to the young.

Tobacco companies' targeting of youth was debated both inside and outside the advertising community. From within, a leading trade magazine for the advertising industry, *Advertising Age* (*AA* 1963b), and a leading advertising industry executive, John Orr Young of Young & Rubicam (*AA* 1964a), saw effective marketing to the young as strategically important to maintaining the industry's size and fostering further growth. Other industry spokespersons judged that the use of athletes was problematic, not only because it implied a healthfulness that was unwarranted, but also because it was a means of focusing on the teenage market. One critic asserted that television commercials focused on teens "by means of allusions to athletic prowess, popularity, datability and sexual allure.... It is basically a narcotic dream with an inexcusable dosage of dishonesty" (*AA* 1963e, p. 12).

An editorial in *Advertising Age* counseled the industry to put less emphasis on youth and athletes in their ads (*AA* 1963h). The National Association of Broadcasters, working on the development of a self-regulatory process, declared that "tobacco advertising having an especial appeal to minors, expressed or implied, should be avoided" (*AA* 1963o, p. 85). At the same time, *Reader's Digest* (1963) condensed an article from *Changing Times* magazine that cited the American Tobacco Company, R.J. Reynolds, and Lorillard as companies whose advertising and promotional activities were aimed explicitly at young people. The article noted the on-campus efforts targeted at college students, the hiring of students to distribute cigarette samples, and the dominant presence of cigarette advertising in campus publications. "Nowhere in that bright wonderful world depicted in the ads," the article observed, "is there any hint to youngsters that cigaret[te]s might be harmful" (*Changing Times* 1962, p. 35). The National Congress of Parents and Teachers (also known as the National Parent Teacher

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Association) coined the expression "smokewashing" to imply that children were being brainwashed by cigarette advertising (*AA* 1963q).

The campaign that drew the most specific criticism for its advertising copy was the American Tobacco Company's 1963 Lucky Strike slogan: "Luckies separate the men from the boys, but not from the girls" (*AA* 1963c). The television schedule stipulated use of all three networks and spot commercials on 500 stations in 90 markets (*UST]* 1963b). A typical print ad showed a young man looking longingly at an accomplished, mature man (such as a race car driver) who was enjoying a cigarette while receiving recognition for a feat (such as a trophy for winning a race) and being admired by an attractive woman. The President of the National Association of Broadcasters called the campaign a "brazen, cynical flouting of the concern of millions of American parents about their children starting the smoking habit. . . . They well know that every boy wants to be regarded as a man" (*AA* 1963g, p. 1). *Advertising Age* joined in editorial condemnation of the campaign by stating: "It is a too-clever, too-cynical attempt. . . . This is advertising we can do without" (*AA* 1963t, p. 20).

In the face of this criticism, the major firms in the industry dropped virtually all advertising in college media, football programs, magazines, and newspapers, all of which they had been supporting with up to $1 million annually (*AA* 1963j). This action left in place, however, other youth-targeting practices, such as R.J. Reynolds's expenditure of nearly $2.5 million (about half of its spot radio commitment) on teen radio stations during after-school hours, a practice the company claimed it discontinued in 1964 (*AA* 1964b). *Advertising Age* noted the political and public relations dilemma that cigarette firms faced, since the companies were interested "in picking up new business from new, young smokers" yet did not want "to be seen reaching for the young market" (*AA* 1963t, p. 108).

Industry executives met in the summer of 1963 to discuss restrictions on television advertising, using the Tobacco Institute as a framework to avoid collusion charges (*AA* 1963v). One of the Tobacco Institute's suggestions was that programs "whose content is directed particularly at youthful audiences should not be sponsored or aired. Thus, good judgment in program content, rather than arbitrary restriction of sponsorship to certain hours of the listening or viewing day, should be the determining factor" (*AA* 1963j, p. 1). Although the Tobacco Institute took pains to note that it did not monitor or regulate the advertising of its members, the chief executives of all of the major firms, save Brown & Williamson, instantly endorsed the suggestions, indicating that they would display the necessary judgment and self-regulatory restraint.

The suggestions of the Tobacco Institute drew scorn from Senator Maureen Neuberger, a leading Congressional critic of tobacco-marketing practices. The Senator felt that the suggestions and the entire self-regulatory process would prove to be an "exercise in futility" that was "motivated by a desire to head off government regulation" (*AA* 1963j, p. 8). Senator Warren Magnuson complained about sponsorship (for the Kent brand of cigarettes) of *The Ed Sullivan Show* for the Beatles' American debut, which exposed millions of teens to cigarette advertising (*AA* 1965).

In 1964, the Federal Trade Commission (FTC) noted that both the messages and the media placement seemed destined to attract the young:

> Whether through design or otherwise, cigarette advertising is so placed that its audience is substantially and not merely incidentally or insignificantly, composed of nonadults. . . . Whether or not the cigarette industry has deliberately attempted to exploit the large and vulnerable youth market, its advertising, in emphatically reiterating the pleasures and attractions of smoking without disclosing the dangers to health, has exercised an undue influence over the large class of youthful, immature consumers or potential consumers of cigarettes (FTC 1964, pp. 110–2).

An analysis of the television schedule sponsored by cigarette firms in 1963 indicated that almost all firms bought air time during a large number of shows that had audiences consisting of 30 percent or more youth (i.e., persons under 21 years old). The sponsors, the shows sponsored, and the percentages of youthful audiences for the shows included the American Tobacco Company—*Combat* (45 percent), *The Jimmy Dean Show* (32 percent), *Monday Night Movie* (30 percent), *Saturday Night Movie* (30 percent), and *The Twilight Zone* (30 percent); Liggett & Myers—*The Outer Limits* (46 percent), *The Price Is Right* (32 percent); Lorillard—*The Joey Bishop Show* (44 percent), *Wide World of Sports* (38 percent), *Winter Olympics Preview* (35 percent), *The Dick Van Dyke Show* (33 percent); Philip Morris—*The Jackie Gleason Show* (38 percent), *The Red Skelton Show* (37 percent), *Route 66* (31 percent); and R.J. Reynolds—*Glynis* (44 percent), *McHale's Navy* (40 percent), *The Beverly Hillbillies* (38 percent), *77 Sunset Strip* (32 percent), and *Saturday Night at the Movies* (32 percent) (Pollay and Compton 1992).

Altogether, cigarette companies sponsored 55 shows for a total of 125 hours a week. On the assumption that the average half-hour television show involved two commercials, teenagers were exposed to more than 1,350 cigarette commercials during 1963, and younger children were exposed to over 845 commercials during that year. Analysis of the time slots most frequently

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bought found that they were significantly correlated with the proportion of teenagers each time slot afforded (Pollay and Compton 1992).

A similar analysis in the FTC's annual report to Congress about cigarette advertising counted 73 television programs sponsored by cigarette companies; these programs appeared collectively 296 times during January 1968 and contained 501 advertisements. Not counting other sponsor identifications, this schedule likely exposed the average teenage viewer to over 60 full-length cigarette commercials per month (FTC 1968).

Self-Regulatory Cigarette Advertising Codes

In 1965, the tobacco industry began creating self-regulatory cigarette advertising and promotional codes (U.S. Congress 1965). The standards related primarily to four areas: advertising appealing to the young, advertising containing health representations, the provision of samples, and the distribution of promotional items to the young. The code prohibited cigarette advertising in school and college publications, testimonials from athletes or other celebrities perceived to appeal to the young, the use of advertising through comic books or newspaper comics, and the distribution of samples at schools. Also prohibited were representations that smoking was essential to social success, representations that the healthiness of models was due to cigarette smoking, the use of models who were participating in physical activity, or the use of models who were younger (or appeared younger) than 25 years of age.

As one observer (Baker 1968) noted, the tobacco industry did not seem to find its code particularly restrictive.

> Four months after the code was formulated, Viceroy ads featured young tennis players lighting up after a hot game. Salem showed a young couple playing giggly games alongside a waterfall. . . . A TV commercial production admitted that it didn't matter how young the models *looked*, or how youthful were their actions, as long as they possessed 'over twenty-five' birth certificates. In fact, his quest was for older models who 'looked young' (p. 116; italics in original).

The code also prohibited cigarette advertising on shows whose audience was "primarily" underage—that is, 45 percent or more of a show's viewers were under 21 years old (*AA* 1966). This decision rule allowed considerable room for interpretation. For example, R.J. Reynolds continued to sponsor *The Beverly Hillbillies* even though the audiences for two selected individual shows exceeded the code requirement; a later interpretation by the tobacco industry held that the code would be applied to two successive months of audience analyses, rather than to selected specific shows (*AA* 1967b). Later that year, after monthly data showed high levels of minors, R.J. Reynolds ceased sponsoring the show (*AA* 1967c).

The National Association of Broadcasters Code Authority, which reviewed all advertisements under the self-regulatory process, noted that the volume and character of cigarette advertising were likely to influence the young and were therefore still problematic. In a confidential report, the association expressed its concern:

> Despite changes which have been brought about in cigarette advertising on radio and television, the cumulative impression created by virtually all of the individual campaigns supports a finding that smoking is made to appear universally acceptable, attractive and desirable. . . . The difficulty in cigarette advertising is that commercials which have an impact upon an adult cannot be assumed to leave unaffected a young viewer, smoker or otherwise. The adult world depicted in cigarette advertising very often is a world to which the adolescent aspires. The cowboy and the steelworker are symbols of a mature masculinity toward which he strives. Popularity, romantic attachment and success are also particularly desirable achievements for the young. To the young, smoking indeed may seem to be an important step towards, and a help in growth from adolescence to, maturity (National Association of Broadcasters 1966, pp. 30–1).

Candy Cigarettes

In 1967, the FTC complained to the tobacco industry that the industry's self-regulatory code permitting the sale of candy and bubble gum in packages that resembled those of actual cigarette brands amounted to "an indirect form of advertising aimed at children" (*AA* 1967a, p. 191). At least five U.S. candy manufacturers distributed candy cigarettes that imitated existing cigarette brands. The brands imitated (some by more than one candy company) were Camel, Lucky Strike, L&M, Marlboro, Pall Mall, Salem, Winston, Chesterfield, Oasis, Lark, and Viceroy. One type of candy cigarette came from a European source and appeared in packages stating, "Made under license of Philip Morris Inc., New York, NY, USA." The domestic candy cigarettes bore no such overt evidence of links to the tobacco industry, but one U.S. candy maker interviewed in *Advertising Age* stated that "no [tobacco] company had ever suggested that it might take action" for unauthorized use of trademarks (*AA* 1967d, p. 97). Another said, "The companies don't object. That's the point. We've been doing it for many years. They don't care" (p. 97).

The tobacco companies disclaimed any intent to lure children with candy cigarettes, but would not say

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what action, if any, would be taken. Candy cigarettes imitating Camel, Lucky Strike, L&M, Marlboro, Pall Mall, Salem, Winston, and Viceroy were still available in the United States into the late 1970s (Blum 1980). Such candy has since become less widely available, but it has not been banned by law.

A recent study of the role candy cigarettes play in the development of smoking behaviors used focus groups, student surveys, and a distributional analysis to find that most children knew where to obtain candy cigarettes, even though they were available at only some convenience stores. The study also observed that repeated candy cigarette purchases were significantly correlated with experimental tobacco use, even when the analysis controlled for parents' smoking status (Klein et al. 1992).

Changes in the Style of Cigarette Advertising

Before reports in the early 1950s began linking cancer and smoking, cigarette advertising characteristically had used explicit health claims, assertions, and reassurances, such as "Not a Cough in a Carload," "No Throat Irritation," "More Doctors Smoke Camels Than Any Other Cigarette," "Smoking's More Fun When You're Not Worried by Throat Irritation or 'Smoker's Cough'" (Calfee 1985). With greater public concern about cancer, however, these continuing health claims, although intended to reassure consumers, were likely increasing consumer awareness of the suspected health risks of smoking. Advertising slogans like Philip Morris's "The cigarette that takes the fear out of smoking" were thus judged by a *Business Week* article (1953b) to be "strange somersaults. . . . The company comes as close as is possible to the word 'cancer' without actually using it" (p. 54).

Similarly, an article in *Fortune* called industry attention to the fact that many campaigns seemed "riddled with warning and appeals to fear" that "the present cigarette turmoil could be considered an inside job. . . . [The] industry may be promoting itself toward a dead end" (*Fortune* 1953, p. 164). A *Business Week* article pointed out that the manufacturers' explicit health claims were exacerbating consumer skepticism. Although the industry could attribute its impressive growth to advertising, "the cigarette companies achieved much of this remarkable result by screaming at the top of their lungs about nicotine, cigarette hangovers, smoker's cough, mildness and kindred subjects. . . . From the early 1930s on, this meant almost solely one thing—sell health" (*Business Week* 1953a, pp. 66, 68). The leading trade journal for the tobacco industry, the *United States Tobacco Journal*, pointed out that the industry had been "warned editorially on many occasions that the 'health' theme was a risky one" and counseled selling "pleasure" instead of health (*UST* 1958b, p. 4).

Motivation Research and the Image Era

Market motivation researchers were likewise advising the industry to create positive images of cigarettes. The researchers pointed out that "the differences between the taste of different cigarette brands are much more imagined than real" (Dichter 1964, p. 345) and that "logic does not play a major role in marketing cigarettes" (Cheskin 1967, p. 135). Leo Burnett, the advertising expert who led the agency that repositioned the Marlboro campaign from a distinctly feminine to a distinctly masculine image, noted that "those who do smoke do so for various conscious or unconscious reasons" (Burnett 1958, p. 43).

Social Research Inc. did motivation research on the psychology of smokers (Day 1955) and concluded that "advertising makes cigarettes respectable, and is thus reassuring" (Neuberger 1964, p. 38). Young & Rubicam also did a series of deep motivational interviews of smokers to extract social meanings, conflicted feelings, attitudes, perceptions, and beliefs about health aspects (Smith 1954). The results showed the importance of the themes of freedom and escape to smokers. Motivation researchers concluded that people were "really interested in the properties from a psychological point of view. . . . Is it an exotic cigarette? . . . [Is it] masculine? . . . [Does it] alleviate my health worries?" (Martineau 1957, p. 61). They pointed out that health appeals may capture momentary competitive advantages, and they may offer some reassurance to the inveterate smoker. But they do nothing to widen the market, to tap the driving force of the real psychological satisfactions of smoking.

According to these researchers, "the psychological satisfactions are . . . the best material for advertising themes and appeals, because they carry their own reassurance. They are emotional supports which have developed in American society to make smoking seem reasonable, justifiable, and highly desirable. They obviously cannot be thrown in people's faces in their bare essence; but when they are implied, when they are communicated, they are understandable and satisfying" (Martineau 1957, p. 65).

Put simply, the recommendations were to use reassuring pictures, not words; images, not information. This tactic of employing visual imagery, lifestyle portrayals, and drama to create mood and attitude, rather than words, facts, and data to create knowledge and comprehension, is now known as "transformational" or "image" advertising, which stands in contrast with "informational" advertising (Puto and Wells 1983).

A leading text on advertising (Wells, Burnett, Moriarty 1989) uses the Marlboro repositioning campaign (discussed in detail later in this chapter) as the prototype example of this strategy. Martineau (1957)

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described a typical Marlboro ad and noted that "the significant meanings are coming from the illustration. The copy logic is strictly after-the-fact" (p. 19). He disputed the conventional wisdom that the illustrations are merely attention-getting devices: "This is nonsense. The other meanings [from the visuals] can be totally unrelated to copy logic—and far more important" (p. 19).

Consequences of Image Advertising

As an article in the trade journal *Printers' Ink* observed, the "grim messages . . . from the health-scare days [of the early 1950s] gave way to pleasant, almost 'Pollyanna' prose. . . . The 1955 comeback . . . [taught advertising to] stick to cajoling the smoker with soft, 'gentle' phrases and oh-so-gay jingles" (May 1955, p. 15). A few years later, the same journal noted that "once more the industry is back to its traditional and usually successful course"—advertising flavor, taste and pleasure against a backdrop of beaches, ski slopes and languid lakes. It is a formula that works, as all-time high sales show" (*Printers' Ink* 1960, p. 37). As *Fortune* (1963) summarized, "Nowadays, all allusions to the health question are models of indirection" (p. 125).

In 1981, the FTC reviewed the changes that had occurred in cigarette advertising since the 1964 Surgeon General's report and noted the continuing glamorization of cigarette smoking. The FTC noted that in the last sixteen years:

> There has been little change . . . . Ads have continued to attempt to allay anxieties about the hazards of smoking and to associate smoking with good health, youthful vigor, social and professional success . . . Thus, the cigarette is portrayed as an integral part of youth, happiness, attractiveness, personal success and an active, vigorous, strenuous lifestyle. . . . [The ads are] rich in thematic imagery associating smoking with, among other things, outdoor activities, athletics, individualism and achievement. They are frequently filled with rugged, vigorous, attractive, healthy-looking people living energetic lives full of success and athletic achievement, free from any health hazards" (FTC 1981, pp. 2–2, 2–8).

Conveying Male and Female Images

One of the early consequences of motivation research was to help the industry give brands of cigarettes distinctly male or female identities (Burnett 1958; Cheskin 1967). Probably no brand more dramatically demonstrated this strategy than Marlboro, which in 1956 was converted, through an enormously successful advertising campaign, from a previous, stereotypically "female" advertising image to a stereotypically "male" image that culminated in the Marlboro cowboy. (The particulars of this marketing transformation are discussed later in this chapter.) Leo Burnett (1961), the man who created the Marlboro cowboy, described how the campaign touched a motivational chord in consumers: "We have been able to get under [the consumers'] skins a bit and find out what they really think about a product or the presentation of it and can't or won't express in words" (p. 63). Research for the campaign was done, in part, by the Home Testing Institute and the Color Research Institute for association testing (Cheskin 1967). Intensive field interviews were used to pretest the selling promotion and advertising techniques (Weissman 1955).

Large advertising spending in all media brought the campaign to a vast audience. Leo Burnett (1961) described outdoor advertising as a vital factor in the success of Marlboro; the medium's low cost per exposure allowed for the use of enough signs to achieve what Burnett called "the No. 1 factor in building confidence . . . the plain old fashioned matter of *friendly familiarity*" (p. 217; italics in original). This success with advertising the Marlboro brand led Philip Morris to launch another brand, Virginia Slims, with stereotyped female characteristics (Weinstein 1970). The success and durability of both these campaigns evidence the power of nonverbal imagery to communicate subjective values such as independence, masculinity, and femininity and to attract and retain consumers.

Historical Perspectives on the Effectiveness of Cigarette Advertising

The role of cigarette advertising in attracting new smokers was easier to recognize in the days when the rate of recruitment exceeded the rate of death and quitting so that total cigarette sales grew. Comments from diverse sources credited cigarette advertising for expanding sales and accelerating market-broadening social trends, such as smoking among women. This acknowledgment of cigarette advertising's effects on demand and onset was commented on in articles by academic analysts, advertising agents and journals, the tobacco trade press, and tobacco executives themselves.

Academic and Industry Analyses

"In the 1920s," a recent analyst noted, "advertising sold the cigarette habit to the American Public—surely the industry's most regrettable achievement of the decade" (Fox 1984, p. 114). Commenting during the 1940s on the diminution of the medical, moral, and religious reservations about smoking previously held by consumers, a Harvard Business School professor wrote, "The campaigns of testimonials featuring well-known personages and the picturing of the 'right' kind of people

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smoking have undoubtedly had an influence in breaking down such prejudices. . . . Advertising undoubtedly has played a part in speeding up social acceptance of women's smoking" (Borden 1942, pp. 223, 227).

One analyst who annually evaluated the cigarette industry noted that the industry is a "glowing testimonial to the power of advertising. . . . These particular companies have not only out-spent but also have out-earned any other[s] . . . [T]he tobacco tycoons . . . are loudest in their praise for the part that advertising has played." (Wootten 1941, p. 5). *Business Week* (1953a) commented that "cigarettes offer the classic case . . . of how a mass-production industry is built on advertising" (p. 66).

Advertising Professionals

Printers' Ink, the leading advertising trade journal of its day, noted in 1930 that sales success already demonstrated "the one feature which has contributed more than any other single factor to the enormous growth of the cigarette industry—advertising" (Tennant 1971, p. 137). This opinion was upheld by the sales performance of cigarettes during the Great Depression: "The growth of cigarette consumption has, itself, been due largely to heavy advertising expenditure. . . . It would be hard to find an industry that better illustrates the economic value of advertising in increasing consumption of a commodity. . . . There can be no doubt but that steady advertising pressure has been a dominating force in increasing cigarette consumption among both men and women" (Weld 1937, pp. 70–71).

John Orr Young's agency, Young & Rubicam, who had previously done work for the tobacco industry, observed in 1964 that cigarette makers had continued to use "attractive boys and girls" to serve as "decoys in cigarette advertisements. Advertising agencies are retained by cigarette manufacturers to create demand for cigarettes among both adults and eager youngsters. The earlier the teenage boy or girl gets the habit, the bigger the national sales volume" (*AA* 1964c, p. 3). Another leading advertising executive, the President of McManus, Johns & Adams, stated, "There is no doubt that all forms of advertising played a part in popularizing the cigarette" (*AA* 1964e, p. 107).

One of the agency executives who had worked on the Marlboro account with Leo Burnett later wrote: "I don't think cigarettes ought to be advertised. . . . [W]hen all the garbage is stripped away, successful cigarette advertising involves showing the kind of people most people would like to be, doing the things most people would like to do, and smoking up a storm. I don't know any way of doing this that doesn't tempt young people to smoke, and, in view of my present knowledge, this is something I prefer not to do" (Daniels 1974, p. 245).

More recently, the late Emerson Foote, a founder of Foote, Cone and Belding and more recently a member of McCann–Erikson, ridiculed the industry claims that its advertising only affects brand switching and has no effect whatsoever on recruitment: "I don't think anyone really believes this. . . . I suspect that creating a positive climate of social acceptability for smoking, which encourages new smokers to join the market, is of greater importance to the industry. . . . In recent years, the cigarette industry has been artfully maintaining that cigarette advertising has nothing to do with total sales. Take my word for it, this is complete and utter nonsense" (Foote 1981, pp. 1667–8).

Because of their conviction that cigarette advertising played a role in recruiting the young, many advertising professionals refused to work with the cigarette companies. Just before the first Surgeon General's report was published in 1964, *Advertising Age* (1963i) stated emphatically, "It seems safe enough to say that no advertiser, no agency man, and no media man would want to continue advertising cigaret[te]s if it were clear that they pose a serious and positive danger to the health of the ordinary smoker . . . . [L]et's not have any more sidestepping" (p. 22). When the Surgeon General's report was issued, several advertising industry leaders publicly avowed that their ad agencies would cease or refuse cigarette advertising accounts on moral grounds—a position that clearly acknowledged advertising's role in building and sustaining demand. Those who refused included several who were highly visible and prominent—Bill Bernbach of Doyle, Dane, Bernbach (*AA* 1964b); David Ogilvy of Ogilvy and Mather (*AA* 1964d); Nelson Foote of Foote, Cone and Belding (O'Gara 1964); and John Orr Young of Young & Rubicam (*AA* 1964a).

The *United States Tobacco Journal*

The *United States Tobacco Journal*'s frequent and unabashed comments on the power of advertising became something of an editorial litany during the 1950s and early 1960s. In 1953 the journal observed that "advertising, in the hands of manufacturers of tobacco products, has become a powerful tool for the construction of the massive edifice of this industry" (*UST]* 1953, p. 4). After the industry rebounded from the reports during the early 1950s of a tobacco-cancer link, the journal stated, "There is no obstacle to large-scale sales of tobacco products that cannot be surmounted by aggressive selling" (*UST]* 1955a, p. 4) and elsewhere noted "the pivotal importance of advertising" (*UST]* 1955b, p. 4). A year later, the journal could claim that "the effectiveness of current advertising by tobacco products manufacturers has been demonstrated repeatedly by the upward trend in sales volume that results there from" (*UST]* 1956, p. 4).

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In 1959, the journal anticipated the launch of multiple new brands and the associated intense advertising drives to "increase sharply the trend toward greater volume in the whole tobacco industry" (*UST]* 1959, p. 3). "The purpose of advertising . . . has a simple answer: to sell goods," the journal declared in 1960 (*UST]* 1960a, p. 4), later pointing out that "steady increases in sales of cigarettes offer the classic example of what advertising can do . . . advertising pays off" (*UST]* 1960b, p. 4). By 1963, the ever-increasing spending on cigarette advertising and promotion led the journal to declare: "The money invested by the tobacco industry in various forms of advertising and promotion essentially reflects the industry's faith in the effectiveness of advertising as a vital sales-building tool. This faith appears justified by the continued annual rise in sales of cigarettes in this country" (*UST]* 1963c, p. 4). These observations from the tobacco industry's trade journal testify to the industry's view of advertising as an increasingly necessary and proven means of selling cigarettes. From a perspective two decades after the 1964 Surgeon General's report, the official history of the R.J. Reynolds Company comments that "the company's advertising expenditures and those of its major rivals were extraordinary, reflecting the apparent agreement on the necessity of large-scale advertising to fuel expansion" (Tilley 1985, p. 330). The view was shared throughout that industry, which embraced increasingly sophisticated advertising strategies in an almost concerted effort. George Washington Hill, proud of his role in building the modern tobacco industry, said, "The impetus of those great advertising campaigns not only built this for ourselves, but built the cigarette business as well, because . . . you help the whole industry if you do a good job" (Tennant 1971, p. 137).

The "Maturity" of the Cigarette Market

As a spokesperson for the cigarette industry has argued in a congressional hearing (Ward 1989), the industry considers itself to be operating in a "mature" market—mature because the growth in this market has slowed over the past two decades and because the product being marketed is well known to consumers. This theoretical concept of a mature market is drawn from the "product life cycle," an analogy to the stages of biological development from birth to death. The application of this theory to the cigarette industry hinges on the belief that markets develop in predictable stages and that these stages govern the intent of corporate behaviors, such as advertising and promotion. It has been asserted before congressional hearings, for example, that "in 'mature' markets such as the one for tobacco products, awareness of the product is universal. The function of advertising in a 'mature' market is to promote brand loyalty or brai switching" (Ward 1989, p. 304). The argument conti ues that the tobacco industry has no strategic interest youthful nonsmokers because "advertising cannot i fluence a nonuser to begin using the product categor (Ward 1989, p. 306).

Few studies have specifically examined how t product life cycle applies to the cigarette industry. O early study written in support of the concept defin three substages of market maturity. Of 33 cigarette bran examined, only 36 percent of them were classified in any of the three mature stages, in contrast with 56 pe cent of health care and personal care products and percent of food products (Polli and Cook 1969). A fe years later, two research directors from the J. Walt Thompson advertising agency reviewed this study ar others and counseled readers of the *Harvard Busine Review*: "Most writers present the [product life cycl concept in qualitative terms, in the form of idealizatic without empirical backing. Also, they fail to draw a cle distinction between product class (e.g., cigarettes), pro uct form (e.g., filter cigarettes), and brand (e.g., Winstor But, for our purposes, this does not matter. We shall s that it is not possible to validate the model at any of the levels of aggregation" (Dhalla and Yuspeh 1976, p. 10

Advertising textbooks counsel that even when face with so-called mature markets, advertising firms can ar often should attempt both to increase usage among exis ing customers and to address potential new users. Fo example, one leading textbook makes it clear that pro uct maturity by no means rules out the capacity—or t need—to attract new users:

> Product class maturity is typified by a slowdown growth and a fairly constant level of sales. Th means that competition may become very inten because any brand can only increase its sales b taking them from a competitor or by developir new uses, users, or changing the product. . . . Th brand's objectives during maturity are to defend i position, take share from the competition, promo new uses and users, and support the retailer. . . . addition, the advertising should stress new use new users, and new usage occasions in an attem to increase overall sales of the product cla (Rothschild 1987, p. 105).

It appears that no matter what the appropria classification of the product, different classes of potenti consumers will still exist as market segments with diffe ent and particular circumstances. Marketing will th have to address these individual segments—includin that of young people for whom the product and branc are less well known, and for whom appeal must b created, since cigarettes are not a necessity of life.

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Perhaps the strongest indicator that cigarette manufacturers, despite their assertions about encouraging brand switching and fostering brand loyalty, must seek out large numbers of new consumers stems from a striking feature of this mature market. The noted "slowdown" over the past two decades reflects the substantial attrition that has occurred among the industry's consumers: since 1964, about 44 million Americans have quit smoking (CDC 1993), and approximately 9 million more have died of tobacco-related disease (Tye, Warner, Glantz 1987). For the cigarette industry to preserve its mature—that is, nearing in growth but not yet declining—U.S. market status, it must attract some two million new smokers each year to replace these lost consumers. To reach this market of potential new smokers, the industry must earmark a large proportion of the $4 billion annually spent on advertising and promotional activities. As is shown through epidemiologic data in Chapters 3 (see "Age or Grade When Smoking Begins") and 4 (see "Sociodemographic Factors in the Initiation of Smoking") of this report, these new smokers will primarily be adolescents. These potential young consumers have been shown to become aware of cigarettes, in part, through cigarette advertising (Chapman and Fitzgerald 1982; Aitken, Leathar, O'Hagan 1985); moreover, young people appear to develop brand loyalty early on (O'Connell et al. 1981), and because of the addictive properties of nicotine (discussed in Chapter 2), these young smokers are likely to continue into adulthood as cigarette consumers.

Contemporary Strategies of the Tobacco Industry

Tobacco companies have used multiple research resources and perspectives even for a single brand. Most of this research is not accessible. However, recent disclosures of corporate documents surfaced during a trial concerning Canada's cigarette advertising ban, which became effective on January 1, 1989, provide evidence that at least some tobacco companies (in this instance, both plaintiffs) have explicitly targeted youth as recently as the 1980s. These documents, which have been cited and discussed in Pollay and Lavack (1992), were disclosed in proceedings assessing the constitutionality of Canada's Tobacco Products Control Act (Imperial Tobacco Limited & R.J. Reynolds–MacDonald Inc. v. LeProcurer General du Canada, Quebec Superior Court, 1990). This litigation provided a unique opportunity to examine contemporary internal industry documents regarding the industry's strategic interest in youth.

Researching the Young

Documents produced during the Canadian trial revealed information about projects that support the interest of the tobacco industry in the youth market. Imperial Tobacco Limited's Project Huron, for example, evaluated the feasibility of a flavored cigarette targeted primarily at males aged 15 through 25 years old. The project was the subject of at least 33 different market research reports supplied by at least six external research sources over the space of just four years. Research documents discussed the behavior of 11-, 12-, and 13-year-olds and the nature of the process of beginning to smoke (Pollay and Lavack 1992). Both Imperial Tobacco Limited and R.J. Reynolds–MacDonald generated several research studies focused on beginning smokers; some of these studies identified the perceived risks and rationalizations of preteens and teens at smoking onset.

Imperial Tobacco Limited's Project 16 (AG–216)[1] revealed that "the adolescent seeks to display his new urge for independence with a symbol, and cigarettes are such a symbol. . . . Serious efforts to learn to smoke occur between ages 12 and 13 in most cases. . . . However intriguing smoking was at 11, 12 or 13, by the age of 16 or 17 many regretted their use of cigarettes for health reasons and because they feel unable to stop smoking when they want to" (p. i-vi). The follow-up Project Plus/Minus (AG–217) revealed to Imperial Tobacco Limited that "starters no longer disbelieve the dangers of smoking, but they almost universally assume these risks will not apply to themselves because they will not become addicted. Once addiction does take place, it becomes necessary for the smoker to make peace with the accepted hazards. This is done by a wide range of rationalizations. . . . The desire to quit seems to come earlier now than before, even prior to the end of high school" (p. vi).

The other plaintiff in the trial, R.J. Reynolds–MacDonald, had also researched the young, studying in great depth 1,022 subjects from ages 15 through 24 in Youth Target Study '87 (RJR–M–6). To determine whether young people who had never smoked came from particular family and social environments, the study considered the possible factors of adult smoking, family pressures about starting, and smoking by teenage peers. Personality and attitude were assessed through 15 character dimensions, such as "laissez-faire," "workaholic," "wimpishness," or "dropout." Attitudes and knowledge about the association between smoking and health risk were closely studied. The images of smokers, ex-smokers, and never smokers were measured along 17 dimensions. Data on the image of tobacco products were gathered on 25 scales. Advocacy issues were inferred by measuring

[1] To cite documents entered into evidence, this discussion uses the trial numbers indicating who entered the documents—e.g., Attorney General (AG–###) R.J. Reynolds, Inc. (RJR–M–###), or Imperial Tobacco Ltd. (ITL–###).

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awareness of antismoking campaigns and the relative credibility of various sources of information, such as doctors, teachers, government employees, and manufacturers. Perhaps the most striking component of this massive research effort, however, was the measurement of personality traits using a clinical psychometric instrument, Cattell's 16 Personality Factors. Scales of this instrument measure elements of personality defined as ranging from tough-minded to tender-minded, trusting to suspicious, or shy to adventuresome, among others.

Youth Target Study '87 used cluster analysis to divide the youth market into seven psychographic groups: "Big City Independents," "Tomorrow's Leaders," "Transitional Adults," "Quiet Conformers," "T.G.I.F.'s," "Insecure Moralists," and "Small Town Traditionalists," (RJR–M–6, pp. 8–10). The T.G.I.F. (Thank God It's Friday) segment was the largest, containing about 30 percent of this population of 15- through 24-year-olds. Since 62 percent of the T.G.I.F. group were reported to be smokers, they were considered an important segment. The T.G.I.F. group primarily comprised underachievers who were "rooted in the present. They live for the moment and tend to be self-indulgent. . . . Achievement and leadership is not a goal for this group compared to others. Societal issues are relative nonissues. . . . They are the most prominent supporters of smoking . . . . They do read newspapers and some magazines, including *Playboy* and *Penthouse*. Heavy metal and hard rock are common music choices" (RJR–M–6, pp. 8, 21).

Portraying Youthful Behavior

As a matter of policy, "positive lifestyle images" were used by Imperial Tobacco Limited to suggest the continued social acceptability of smoking. The company chose models and activities to facilitate young people's identification with the company's products. Creative guidelines for the Player's brand, for example, specified that the target market would "emphasize the under-20-year-old group in its imagery reflection of lifestyle (activity) tastes" (AG–35, p. 42). The models used in Player's advertising were to be "25 years or older, but should appear to be between 18 and 25 years of age" (AG–35, p. 52).

R.J. Reynolds–MacDonald, however, learned that models can be too young appearing for the young consumer's taste. When the Tempo brand cigarette was test-marketed in selected cities, most of its media budget was allotted to out-of-home media, targeting key youth locations and meeting places close to youth-frequented sites, such as theaters, record stores, and video arcades. To target the young, who were perceived to be "extremely influenced by their peer group," the J. Walter Thompson advertising recommendations called for "imagery which portrays the social appeal of peer group acceptance—where acceptance by the group provides a sense of belonging and security" (AG–16, p. 4). The media feature young-looking models arm-in-arm, wearing casual clothe perceived as trendy by the young. The brand met with mixed results in the test market, however, in part becaus it was too explicitly young in character. Few teenagers, seems, wanted an explicitly teen product, instead prefer ring to use products associated with adulthood.

Conveying Pictures of Health

The images used in many of Canada's cigarett ads were carefully crafted to feature attainable activitie that appealed to youth but were not so intense as to b unbelievable in the context of smoking. The Player' Filter '81, Creative Guideline (AG–222) required that ad feature activities that "should not require undue physica exertion. They should not be representative of an elitist' sport nor should they be seen as a physical conditioner The activity shown should be one which is practiced by young people 16 to 20 years old or one that these people can reasonably aspire to in the near future' (AG–222, pp. 1–2).

These images were tested to ensure that they elicited minimal counterargument from viewers. For example, in the Project Stereo Advertising Evaluation (AG–220), a windsurfing ad for the Player's brand received the following evaluation:

> The reaction to windsurfing as an activity is neutra with regard to whether or not the people who engage in it are likely to be smokers or not. However, the more physically fit and healthy-looking the protagonists, the stronger the no-smoking classification elicited. The same person sitting on the beach—perceived by most as resting after surfing—or shown carrying a surfboard—whether getting out of the water or walking toward the ocean—evokes different reactions regarding smoking. Respondents are willing to accept the man smoking while resting but are reluctant to think of him as a smoker while his well-built body is in full view (AG–220, p. 6).

Projecting Images of Independence

The brands most successful with teenagers seem to be those that offer adult imagery rich with connotations of independence, freedom from authority, and/or self-reliance. Imperial Tobacco Limited's Project Stra tested "overtly masculine imagery, targeted at young males" (Pollay 1989b, p. 24). Young males were seen as "going through a stage where they are seeking to express their independence and individuality under constan

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pressure of being accepted by their peers" (Pollay 1989b, p. 24). R.J. Reynolds' Export A brand had a special appeal for young Canadian teens and preteens, as the company recognized in its Export Family Strategy Document of 1982 (AG–222): "Very young starter smokers choose Export A because it provides them with an instant badge of masculinity, appeals to their rebellious nature and establishes their position amongst their peers" (AG–222, p. 7299).

Imperial Tobacco Limited's Project Stereo (1985) provided creative guidelines for the effective display of freedom and independence in advertising imagery designed to appeal to a young market. Its Final Report (AG–27) made recommendations for designing advertisements for the Player's brand that showed someone "free to choose friends, music, clothes, own activities, to be alone if he wishes"; who "can manage alone" and be "close to nature" with "nobody to interfere, no boss/parent"; someone self-reliant enough to experience solitude without loneliness (AG–27, p. 60).

Project Stereo also described how Player's and its closest rival for young males, Export A, both used images, not words, to convey the critical concepts of independence, self-reliance, autonomy, and freedom from authority. Both brands used advertisements that featured strong, masculine, hardy men who were typically alone in the fresh air of the outdoors. But as is shown in the chart below, the two competitors conveyed their respective images with relatively small yet important differences.

Player's Smoker's Image	Export A Smoker's Image
Chooses to be alone.	Is a loner.
Conveys masculinity but also gentleness.	Conveys machismo ruggedness.
Can show feelings.	Does not show feelings.
Can include women.	Excludes women.
Has a good job, is a good worker.	Is working-class.
Is adventurous.	Is a daredevil.
Is independent and strong willed.	Isn't concerned about society.

(AG–27, p. 18).

The more subtle, less excluding Player's image proved far more successful than the uncompromising Export A image.

Images of the American Ideal

United States advertisers, too, have long thought that individualism and the stimulating notions of independence, self-reliance, and autonomy are important strategic concepts in ad development. The Marlboro cowboy (also known as the Marlboro man) epitomizes this stereotype of American independence. Usually depicted alone, he interacts with no one; he is strikingly free of interference from authority figures such as parents, older brothers, bosses, and bullies. Indeed, the Marlboro man is burdened by no one whose authority he must respect or even consider (see Figure 1).

One account (Meyers 1984) describes the success of Philip Morris's George Weissman and Jack Landry, who were instrumental in making Marlboro the best-selling cigarette brand in the United States. Marlboro had long been sold as a woman's cigarette, with lipstick-colored filters and a "Mild as May" slogan (see Figure 1). The first attempt to reposition the brand as "male" featured the breathy, sensual singing of Julie London and male models with tattooed hands. But when Weissman, then head of marketing for Philip Morris, assumed responsibility for the campaign in the late 1950s, his research informed him that postadolescents in search of an identity were beginning to smoke as a way of declaring independence from their parents. Jack Landry, the advertising executive for Philip Morris, coordinated with the Leo Burnett agency and came up with "commercials that would turn rookie smokers on to Marlboro. . . .[that would convey] the right image to capture the youth market's fancy . . . [and project] a perfect symbol of independence and individualistic rebellion"—in other words, the Marlboro cowboy (Meyers 1984, p. 70). The power of the associative psychological style of advertising was demonstrated by the Marlboro brand's capture of a significant market share of starters every year, until it soon became the best-selling brand.

This success has proved long-lived. In 1993, Marlboro commanded 21 percent of the domestic market share—by far the largest share (Maxwell 1993). As Philip Morris's president and CEO, R. W. Murray observed, the Marlboro man still has a powerful attraction: "The cowboy has appeal to people as a personality. There are elements of adventure, freedom, being in charge of your destiny" (Trachtenberg 1987, p. 109).

Marlboro's success led to much imitation and competition in the industry. The FTC reported that one of the popular advertising strategies of the late 1960s was the use of associative themes, where an image portrayed "one or more personality characteristics which the advertiser hopes will appeal to the audience of existing and potential cigarette smokers. . . . The classic example of this approach is the Marlboro cowboy—ruggedly masculine, self-sufficient. . . . The theme of masculine independence has been used by several other advertisers" (FTC 1970, p. 8). Advertisements for Camel, Newport, and Old Gold were named as examples.

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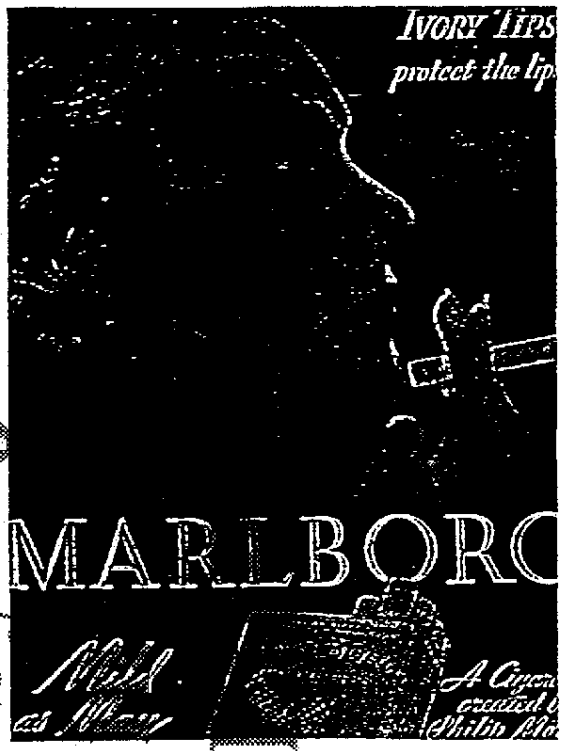
Figure 1. Selected Marlboro cigarette advertisements, 1937–1992



Sources: Clockwise from top left: *New Yorker* 1937; *Road & Track* 1990; *Road & Track* 1992.

In a parallel manner, advertisements for brands such as Virginia Slims appealed to feminine independence. An ad executive who headed the account for a leading female brand, and who requested anonymity, was quoted by the Wall Street Journal as stating, "We try to tap the emerging independence and self-fulfillment of women, to make smoking a badge to express that" (Waldman 1989, p. B1).

Over the past few decades, many advertising campaigns have featured race car drivers, and many brands (such as Camel, Marlboro, and Winston) continue to sponsor racing events and teams. A commercial study of three different executions of a 1976 Viceroy advertisement with close-ups of "a young man in auto racing garb" found that subtle visual differences caused by the model's appearance, positioning, or other visual staging devices could greatly affect consumer reactions. Despite identical verbal copy and layout in all three advertisements, one of them more strongly suggested that smokers of Viceroy had the desirable "positive personality characteristics including courageousness,

produced by R.J.R.T.C.
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BEST IMAGE
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independence, adventurousness and aggressiveness" (Schwartz 1976, p. 75).

The sponsorship of racing car events by Marlboro (see Figure 1) may seem inconsistent with the cowboy character, but it is not. The company's Vice President of Marketing Services, Ellen Merlo, explained: "We perceive Formula One and Indy car racing as adding, if you will, a modern-day dimension to the Marlboro Man. The image of Marlboro is very rugged, individualistic, heroic. And so is this style of auto racing. From an image standpoint, the fit is good" (*Business of Racing* 1989, p. 5A).

Historical Content Analyses of Cigarette Advertising

Introduction

The social sciences afford a variety of approaches for describing and analyzing the content of communications of all kinds, whether in the form of speeches, conversations, newspaper articles, signs or advertisements. Specific communications, such as a single ad or the coherent set of ads that constitutes a campaign, can be examined in detail. Typically, in-depth approaches, such as semiotics, are discursive descriptions that deconstruct the message and its meaning through detailed consideration of the elements of the ad (e.g., words, symbols, images), their structure (e.g., layout and prominence of visuals), rhetorical devices, and emphasis), and the cultural context in which these appear (e.g., the meanings traditionally attached to the ad elements, alone or in combination). These methods describe in sophisticated, analytical terms the probable meaning of the message to the average audience member.

The term "content analysis" is also used to describe a formal set of sampling and coding techniques, whose intent is to produce objective numerical data descriptive of a set of communications, such as a collection of ads. These systematic methods code and count both the overt and latent content of ads by observing the verbal and visual elements within a set of predetermined definitions. The definitions can be coded for events at various levels of observation, from broad themes to specific minutiae. These definitions are employed by trained coders, who apply them to a systematically drawn sample of ads. The reliability of this coding task is usually measured and reported and depends upon how clear are the communications under study, how complex the definitions of interest, how difficult the coding task, how attentive the coders, and other factors. The sample can be either cross-sectional (representing many brands' advertising), longitudinal (tracing evolution of advertising over time), or both. Like other sampling, the representativeness of the sample studied and the resulting potential to generalize from the results are a function of the sampling strategy (e.g., drawn from certain sources, seasonally or randomly determined, a complete census).

The simultaneous pursuit of objectivity in content-analysis coding and meaningful observation often involves methodological judgment to weigh the various trade-offs and compromises. Some analysts (e.g., Ringold and Calfee 1989) deliberately limit their efforts primarily to the verbal content of the ads, analyzing the words in painstaking detail. The limitations of this careful but restricted focus and the inferences that can be appropriately drawn from it have been the subject of a sustained debate (Cohen 1989, 1992; Pollay 1989a; Ringold and Calfee 1990).

The next sections of this chapter discuss the more formal content analyses of historical samples of cigarette ads and focus on the more fundamental results, general tendencies, and broader conclusions. Within the limits of the noted sampling for each study, these analyses describe the universe of cigarette advertising for multiple brands, or of cigarette advertising in general, rather than for specific brands and their campaigns. In some studies, the content-analysis data descriptive of cigarette advertising are related to other information, such as product features, market shares, audience characteristics, or historical events.

Increase in Visual and Vivid Advertising

The first published report analyzing the content of cigarette advertising (Weinberger, Campbell, DuGrenier 1981) studied 251 cigarette ads found in the issues of *Newsweek*, *Sports Illustrated*, and the *Ladies Home Journal* during the years 1957, 1967, and 1977. The report noted an eightfold increase in the volume of cigarette magazine ads between 1957 and 1977, as the industry left broadcast media. The investigators found significant increases, as well, in the proportion of ads in color, at premium locations (e.g., on the back or inside covers of magazines), and with multiple pages. Both explicit and implied health claims were also found to have increased significantly; almost all ads for lower-tar products advertised in 1977 were "tombstone" ads (i.e., consisting of text and package display only—no models, nature

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scenes, sports paraphernalia, etc.). Using market data from leading national advertisers and the index of advertising listed by manufacturer, the analysis revealed that a firm's "share of voice" was almost perfectly correlated with its market shares; that is, all tobacco companies included in this study sample of print media were advertising their products in near-exact proportion to their market share.

Becoming Pictures of Health

Verbally explicit health claims, a prominent feature of early cigarette advertising, have been replaced by claims about filter effectiveness, mildness, and the mandatory warnings and disclosures. As scientific evidence of the health risks of smoking became increasingly known to the general public in the 1950s and 1960s, the pseudoscientific claims made by cigarette advertising in earlier decades (claims that using a given brand, for instance, would protect against "smoker's cough") were replaced by unadorned statements of filter effectiveness against tar and nicotine. These latter health claims tacitly allowed that smoking was harmful, but they also strongly suggested that smoking a particular brand was significantly less harmful. Such health claims thus have the primary purpose of promoting sales for a separate product category: that of "low-tar, low-nicotine" cigarettes. Verbal health claims in advertising have otherwise been replaced by visual connotative imagery—what can be called pictures of health.

Ringold (1987) reported on the verbal content of 211 cigarette ads drawn primarily from *Time* magazine from 1926 to 1985, partially supplementing the sample, as needed, with ads drawn from the *New Yorker*, the *Saturday Evening Post*, and *Life*, in that order. Although inexplicably omitting any Philip Morris brands, this sample sought one ad each for six brands: Camel, Chesterfield, Kent, Lucky Strike, Old Gold, and Viceroy. Detailed coding was done on the verbal content in headlines, subheads, and body copy. Even though all "mildness" assertions were treated as taste claims only, health claims were the most frequently made type of claim for the period before 1954. For the overall 1926–1985 study period, health claims were the third most frequent type of claim, representing 18 percent of all claims. This finding was true for five out of the six brands studied, and there was "little to distinguish the various brands in terms of the health claims frequently used" (Ringold 1987).

A study of the words and images of all 567 ads from 108 issues of *Life* (1938–1983) and *Look* (1962–1971) included the ads for 57 brands (Pollay 1991); 14 major brands accounted for 75 percent of the total sample. Multiple judges coded these ads for 12 major and independent thematic dimensions. Three of these dimensions were postulated to communicate healthiness: (1) "health/safety" made verbal claims about positive physical effects, medical use or endorsements, or reduced symptoms and risks, including filter-effectiveness claims (unless the text linked effectiveness to product taste); (2) "bold/lively behavior" provided images of active, athletic, or risk-taking behavior; and (3) "pure scenes" provided images of nature associated with wholesomeness, cleanliness, and purity, such as glaciers, mountain streams, or new-fallen snow. Other themes measured included "well made" (product quality), "good deal" (value for money), "enjoy" (pleasure and satisfaction), "female, male, glamour/luxury" (celebrities, status, wealth), "relax" (peace of mind), and "official" (tested or endorsed by authorities).

Judges found one or more of the healthiness themes in 60 percent of the studied ads, images of bold and lively behavior in 20 percent, and pure scenes in 30 percent. Some stereotypical differentiation of men and women was evident: ads featuring men were significantly more likely to use images of bold and lively behavior, whereas the ads featuring women were significantly more likely to use images of glamour and luxury.

Warner (1985b) studied 716 cigarette ads from *Time* for selected years from 1929 through 1984. Various visual, verbal, and thematic elements of the ads were coded: the presence or absence of smoke, the manner in which cigarettes were held, the nature of models employed, the degree of prominence given to health messages, and the types of themes not focused on health, such as humor, rugged individualism, and romance. Data were not reported for individualism, emancipation, or other themes of independence. Data were grouped according to their proximity to periods of intense public consideration of the health consequences of smoking—such as the health concerns raised in the early 1950s (particularly since increased promotion and supply of cigarettes during World War II had contributed to a larger population of young adult smokers [Blake 1985]), the first (1964) Surgeon General's report on smoking and health, and the Fairness Doctrine that required broadcast cigarette ads to carry health-risk messages during the period 1967–1970. Results show evidence of the dramatic growth in magazine advertising over the 56-year study period: the average number of cigarette ads per issue rose steadily from less than one per issue for the 1929–1952 period to over eight per issue for 1974–1981 (after the ban on radio and television had gone into effect). During the last two decades studied, the images in these ads had the notable characteristic of showing virtually no smoke. Although visible smoke appeared in half of the ads before 1964, after 1964 only 5 percent of lit cigarettes appeared to emit

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visible smoke, and after 1976 not a single instance of smoke was found in this sample. The imagery in those ads was increasingly, and apparently deliberately, becoming more pristine by eliminating smoke from ads.

The balance between the verbal and visual elements of the ads was measured in this study, as was the degree of health focus. Ads that relied more heavily on words than on pictorial images were judged as trying to convey a health message. Both the health focus and the balance between verbal and visual elements were found to be episodic. Ads tended to verbally emphasize health themes during the years of major smoking and health events. Such ads often emphasized a health-related product innovation, such as scientifically designed filters. This general pattern seemed to end in 1964, the year of the first Surgeon General's report, during and after which ads became more visual. Warner (1985b) notes, "Industry advertising directors may have concluded that the most effective contemporary response to health concerns is an indirect one, conveying visual images of vibrant, physically fit, successful, sociable, and sexy people in physically active or glamorous settings, in other words, associating smoking with people who are the proverbial 'picture of health'" (p. 128). Similar observations were made by Rogers and Cayo (1987), who studied an unspecified number of ads from three issues of *Time* and *Life* magazines each year, at five-year intervals from 1938 to 1986. They noted that over time, positive health appeals were displaced by claims of having "less harmful" products, and that these in turn were displaced by "more and more lifestyle advertising . . . brand imaging . . . using more poster style layouts and color spreads . . . with very little body copy" (pp. 262, 266).

Other researchers have noted the episodic nature of cigarette advertising history but attribute the changes not to industry strategy or sophistication but to the effects of regulation and self-regulation, such as FTC activity or industry self-regulatory codes. Ringold and Calfee (1989) report on the verbal content of 568 ads drawn primarily from *Time* magazine from 1926 through 1986. This sample is both longitudinal (N = 348), expanding on the sample of one ad per year for various brands reported earlier (Ringold 1987), and cross-sectional, using a sample of 25 ads each for the seven mid-decade years 1926, 1936, 1946, 1956, 1966, 1976, and 1986. The ads were coded along 27 general ad characteristics and 51 claim categories. The coding, described by the authors as conservative, treated all mildness claims as claims about taste that were irrelevant to health and treated all claims about filter innovations as claims about product quality, not about health. Nonetheless, results of the longitudinal sample show that 27 percent of all claims were health claims, making it the most common category, primarily because ads since 1965 were required to carry tar and nicotine disclosures (See "Warning Labels on Tobacco Products" in Chapter 6). Voluntary health claims were anywhere from 17 percent to 29 percent of total claims before 1954 but had nearly disappeared after that year.

In the longitudinal analysis, action-oriented ads—those depicting competitive sports, adventurous pursuits, or leisure behaviors—were more than twice as common (42 percent of all ads) as those showing all other types of activity, such as working, eating, or shopping (17 percent of all ads). Almost identical results were found for the cross-sectional sample of 220 ads. No data were reported for how the frequencies of these images of activities changed over time.

Advertising That Targets Youthful Audiences

Albright et al. (1988) studied cigarette ads in magazines that reach young readers (*Rolling Stone*, *Cycle World*), female readers (*Ladies Home Journal*, *Mademoiselle*), or general adult readers (*Time*, *TV Guide*, *Ebony*, *Popular Science*). All cigarette ads in one issue for every year from the 1960s through 1985 were coded, yielding 778 ads for analysis. Like other analysts, Albright et al. found that the volume of magazine advertising increased dramatically during this period, stabilizing after 1977 at six to seven ads per issue. Within this study sample, the proportion of total ads appearing in the magazines reaching younger audiences grew significantly over time to become 36 percent of the total. The analysts concluded that although these data may not fully represent the overall market trends, "women and adolescent magazine readers are exposed to a large quantity of cigarette ads, regardless of the advertisers' intent" (Albright et al. 1988, p. 232).

Altman et al. (1987) analyzed the themes and images employed in this same sample of magazines. The study focused on the ads (78 percent of the total sample) that showed a setting or had a model present. These were coded for elements of the act of smoking, the presence of a low-tar or low-nicotine theme, and suggestions of the "vitality of smoking." The latter concept was measured with subcategories of adventure/risk (e.g., rock climbing, sailing, racing cars), recreation (e.g., playing tennis, surfing), and romantic/erotic appeal (e.g., scantily dressed models, moonlit settings).

Images of risk and adventure, recreation, and erotic or romantic display in youth magazines increased significantly over this period (1960s to 1985). Ads in youth magazines were significantly more likely than ads in other magazines to depict images of adventure or risk,

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were more likely to display recreation, and were somewhat less likely to depict erotic imagery. Tombstone ads were less likely to appear in youth magazines, or conversely, youth magazines were more likely to feature image-based ads.[2] Like Warner (1985a), Altman et al. found a decline in the evidence of visible smoke and the act of smoking.

The database of Altman et al. (1987) was extended by Basil et al. (1991), who examined differential targeting, or how cigarette advertising strategies varied depending on the characteristics of the primary readership. These researchers added two magazines with a primarily black readership (*Jet* and *Essence*) and updated the sample to include magazines from the 1960s through July 1989 for an enlarged sample of 1,171 ads. These investigators also delineated three subcategories of romantic/erotic themes: (1) horseplay—males and females cavorting; (2) erotic content—romantic or sexy situations, innuendo; and (3) seductive poses—wanton looks or suggestive glances or poses.

From 1984 through July 1989, the number of ads per magazine issue declined in general in men's and women's magazines but was relatively stable in those magazines reaching black and youth audiences. The most common type of ads in men's and youth magazines showed models engaged in lower-intensity sports, such as water skiing or volleyball. Analysis of variance between magazine types found that ads depicting incidents of horseplay and romantic contact were most prevalent in black- and youth-oriented publications. A separate analysis found that incidents of horseplay had grown significantly more frequent over time and were significantly related to the average age of a magazine's readers; magazines with a younger readership were more likely to run ads featuring horseplay. Comparing results for all consumer segments, the researchers concluded that these ad strategies appear

> to depend on the segment's current rate of smoking. . . . Readers with high smoking rates are often pitched to choose certain brands with appeals based on some aspect of the brand rather than on the models depicted in the ad. However, readers with low smoking rates appear to be given appeals that focus on models, suggesting that smoking is fun, helps you make friends, and will make you desirable. Groups with lower smoking rates are more frequently given appeals that appear to be attempting to recruit new smokers (Basil et al. 1991, p. 88).

[2]Research (such as Fischer et al. 1989) that has examined the effect that health warning labels in cigarette advertising have on young people is discussed in Chapter 6.

The work of King et al. (1991) partially contrad and partially replicates findings from the previously scribed studies. King et al. followed a similar sampl strategy, drawing ads from one issue for each availa year, between 1954 and 1986, for each of eight magazi representing five distinct audience orientations: gene interest (*Time*), older women (*Ladies Home Journal* a *Redbook*), younger women (*Vogue*), older men (*Popu Mechanics* and *Esquire*) and younger men (*Sports Illustra* and *Playboy*). This sampling yielded 1,100 cigarette ads f an analysis that focused on visually oriented content.

Like other studies, King et al. noted a large increa in magazine advertising: the number of ads per iss was more than ten times greater for the period 1971–19 than for the period 1954–1970. *Playboy* had both th largest number of cigarette ads per average issue and th lowest median audience age. Unlike earlier studie however, King et al. found no systematic relationshi between the median age of a magazine's audience an the average number of ads published.

As was found in previous multiyear studies, ciga rette ads in general relied more and more on visua imagery and became increasingly larger (e.g., more ad were multipaged), more photographic, more colorful and more visual than verbal. The volume of cigarette ad varied significantly over time; the greatest changes were a decline in the proportional importance of general-interest magazines, a relative stability for both older and younger men's magazines, and a growth in both older and younger women's magazines. The ads in the younger men's and women's magazines together constituted 39 percent of the total cigarette ad volume in this sample of magazines during 1954 through 1970, 33 percent during 1971 through 1983, and 45 percent during 1984 through 1986. Similarly, Warner and Goldenhar's (1992) analysis of the use of 92 magazines as cigarette advertising vehicles from 1959 through 1986 found the largest increase in women's magazines and in magazines reaching predominately blue-collar readers.

Imaging Individualism, Independence, and Self-Reliance

In King and colleagues' (1991) analysis, the activities of the models fall into six categories: adventure (operating a speedboat), recreation (playing ball), erotic (being romantic with another), sociability (talking with peers), working (ranching), and individualistic/solitary (reading a book, watching a sunset). The study defined individualism solely in terms of restful behaviors; this decision and the resulting classification of the Marlboro cowboy as "working" rather than "individualistic solitary" are debatable elements of this study, but the results nonetheless indicate the importance of the independence theme.

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For example, the most frequently cited categories of ads that reached younger women were individualism (29 percent), recreation (26 percent), and sociability (20 percent). The most frequently pictured activities in ads that reached younger men were individualism (21 percent), work (21 percent), recreation (20 percent), and adventure (14 percent). The authors noted that "portrayals of individualism were more likely to appear in cigarette ads placed in younger men's and younger women's magazines." Despite this and other noted differences between ads in various types of media, "this study found a striking universality of theme, regardless of audience orientation. Individualistic/solitary and recreational themes were most frequently portrayed in virtually all magazine types" (King et al. 1991, p. 7).

Schooler and Basil (1990) studied all types of billboard ads in San Francisco neighborhoods. Billboard advertising is held to be important because it allows neighborhood-level targeting and ethnic segmentation. Like point-of-sale store signage, billboard advertising has more permanence than magazine ads, allowing multiple incidental exposures for all ages of persons who are on the neighborhood street regularly going to work, stores, or schools. Of the 901 billboards photographed between May 1985 and September 1987 in 210 commercial districts, tobacco ads were the most frequent (19 percent), closely followed by alcohol (17 percent). Black and Hispanic neighborhoods had significantly more tobacco and alcohol ads than white or Asian neighborhoods. Billboards of any type were 1.7 times more common in black neighborhoods (2.2 per 1,000 people) than in a citywide sampling (1.3 per 1,000). Tobacco billboard ads were even more common in black neighborhoods, appearing at 2.4 times the citywide rate.

The content of these ads was coded for several social cues: sex, ethnicity, apparent social "class" of the models, reward cues (e.g., romance, sociability, recreation, sportiness and active lifestyle, and adventure/risk), and attractiveness cues (e.g., rugged individualism, machismo, fashionableness, sex appeal, fame/expertise, and friendliness). The most prevalent reward cue images associated with smoking were sportiness and active lifestyle/recreation, and adventure/risk. The most prevalent attractiveness cue on tobacco billboards was rugged individualism or machismo. The statistically significant results indicated how important social cues are to these tobacco products. The study suggests that people are more likely to be portrayed in cigarette and alcohol ads (59 percent) than in advertising generally (16 percent), and cigarette and alcohol ads were more likely than others to use models that matched the ethnicity of the neighborhoods.

When advertising for smoking and for alcohol were compared, the study concluded that alcohol ads use modeling cues that suggest that product consumption will enhance one's social life, whereas tobacco billboards emphasize rewards that are more individualistically oriented. "Rugged individualism," the study observed, "was the most prevalent attractiveness cue on tobacco billboards. The epitome of these ads is the Marlboro man" (Schooler and Basil 1990, p. 15). These research results are reported in brief elsewhere (Altman, Schooler, Basil 1991), and additional statistical analyses of the same database reach the same conclusions (Schooler, Basil, Altman 1991).

Altman and colleagues' (1987) analysis of 778 magazine ads (from the 1960s through 1985) also found that images of adventure and risk had become more prevalent across all magazine types. Youth magazines were even more likely than other types to depict images of adventure/risk and recreation.

Other Related Research

Perceptions of Models' Ages

Mazis et al. (1992) studied the perceived age of the models used in cigarette ads appearing in 97 magazines in October 1987. In the 101 issues (some magazines were published more often than once a month) that contained cigarette ads, 393 cigarette ads for 22 brands were found, of which 119 were unique (i.e., did not appear in another of the 97 magazines that month). Narrowing the sample to ads with models whose faces were "clearly visible" (i.e., their faces were at least two-thirds exposed and were depicted close enough to discern approximate age) yielded 50 unique ads with 65 models. Two samples of 280 and 281 judges were recruited from a racially and economically diverse shopping mall, with quotas that guaranteed a cross-section of gender and age (13 years old and older).

Each participant was asked to estimate the age and assess the attractiveness of the models in a random sample of 25 ads. These data were compared to data on the median age of the audiences of the magazines used as sources. A positive and statistically significant correlation was found between perceived model age and median audience age. For example, young-looking models tended to appear in media read by young audiences—a correlation advantageous to the advertisers, since young viewers proved more likely than older viewers to perceive that attractiveness declined with advancing perceived age.

Fourteen (22 percent) of the 65 models were judged, on average, to be less than 25 years old, and eleven (17 percent) were attributed a mean perceived age far enough below 25 years old to be statistically significant. Nine of these young-looking models were women, four of them in various Virginia Slims ads. "Some cigarette

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ads," the authors concluded, "are clearly violating the industry's voluntary code that requires models not to 'appear to be less than twenty-five years of age'" (Mazis et al. 1992, p. 35).

Ads That Target Women

The history of campaigns that target women has been reviewed by discussing specific campaigns and generating data for advertising intensities (i.e., the numbers of ads appearing in each magazine) for 1971 through 1984 (Ernster 1985). Tabulation of the number of ads in *Better Homes and Gardens*, *Ladies Home Journal*, and *McCall's* revealed that ad intensity grew steadily during the 1970s, peaked in 1979, and declined thereafter. Nonetheless, in 1984 an average of more than 10 cigarette ads appeared in each issue of these magazines and of *Cosmopolitan*, *Family Circle*, *Glamour*, *Harper's Bazaar*, *Mademoiselle*, *Redbook*, *Vogue*, and *Woman's Day*.

A similar report (Howe 1984) on the history of women and cigarette advertising included graphs of the frequency of cigarette ads showing women smoking that appeared in *Life* (for the period 1950–1972) and *Ebony* (for 1945–1980). These ads peaked in the mid-1960s, and again in the early 1970s. The report observed that in these peak years, the ads generally focused on "women jogging, biking, backpacking and playing tennis, all while smoking a cigarette, too. It would be difficult to argue that these positive images are not influential on young, image-conscious teenagers" (p. 9).

Ads That Target Blacks

The cigarette ads targeting blacks in *Ebony* from 1950 through 1965 were studied by Pollay, Lee, and Carter-Whitney (1992). When the full census of cigarette ads from *Ebony* (N = 540) were compared with cigarette ads from a matching sample of *Life* issues, the investigators found that the ads targeting blacks were significantly more likely to use athletes and were two to three years tardy in announcing to black consumers new products with tar- and nicotine-reducing filters. Furthermore, cigarette advertising was initially more prevalent in *Life* than in *Ebony*, but after 1960, *Ebony* issues carried more cigarette ads.

The cigarette industry's greater intensity in targeting blacks through advertising has also been observed in more contemporary studies. In 1985, a comparison of advertising in selected magazines directed at white and black audiences (Cummings, Giovino, Mendicino 1987) found that the magazines targeting blacks had significantly more cigarette advertising and more ads for menthol brands, which are preferred by a much higher proportion of blacks than whites (see "Cigarette Brand Preference" in Chapter 3). This racial disparity may mark the cigarette industry's reaction to the notable decline in black adolescent smokers during the past decade (see "Trends in Cigarette Smoking" in Chapter 3). A review of cigarette promotional practices in 1985 noted the diversity of methods for reaching black audiences, including the growing use of sponsorships of athletic, cultural, civic, fashion, and entertainment events. Especially noteworthy was the intensive use of smaller billboards in black communities; these ads accounted for 37 percent of all billboards, and most featured menthol brands. In contrast to the larger highway billboards, smaller billboards are usually placed low and close to the street—and thus visible to passersby of all ages.

Recently, R.J. Reynolds attempted to introduce a new brand of cigarettes, Uptown, to the black community in Philadelphia (Robinson et al. 1992). Through the efforts of black leaders, who mobilized their communities, the Uptown Coalition emerged. The Philadelphia community created the agenda rather than allowing the tobacco industry to dictate it. Media messages were carefully framed, and Uptown Coalition spokespersons were given clearly prescribed roles. In 1990, R.J. Reynolds abruptly canceled the launch of Uptown. The Uptown Coalition was historic because it represented the first community-based initiative that succeeded in getting the tobacco industry to take a cigarette out of production.

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Promotional Efforts of the Tobacco Industry

Introduction

Whereas the role of advertising is primarily cognitive and affective (affecting consumers' knowledge, beliefs, and attitudes), the role of promotional efforts includes a substantial conative (action-affecting) component (Kotler 1991). A cigarette advertisement, regardless of how compelling, is unable to put a cigarette into a consumer's hands. At best it can create desire or an interest in smoking. Cigarette promotion, however, can use sampling to put a cigarette into a consumer's hand—along with, in some instances, the lighter to ignite it. Promotion can also target a product to those specific consumers most likely to respond to a manufacturer's appeals (Rossiter and Percy 1987).

Cigarette marketers use several of the major categories of promotion to facilitate both the entrance of new smokers to the market and their development of brand loyalty. Because of the rapid growth in cigarette promotional expenditures (FTC 1992) and the importance of their expenditures in potentially recruiting new smokers, the following discussion will analyze each of these major categories of cigarette promotion. The recency of this growth, however, limits the amount of research this report can draw upon.

Public Entertainment

The cigarette industry uses the sponsorship of public entertainment events to bypass broadcast advertising bans and self-regulatory constraints. Sponsorship is an efficient way for an advertiser to have its brand name and logo achieve the equivalent effect of broadcast advertising without having to include any government-mandated warnings. Thus, cigarette manufacturers sponsor a wide array of sporting events (e.g., the Virginia Slims Tennis Tournament, the Winston Cup series, and auto racing in general through sponsoring particular cars and drivers) and other forms of public entertainment (e.g., the Kool Jazz Concert). The association of the brand name with the event is an advertising association for the brand. For example, through racing events and race cars bearing the Winston and Camel brand names, R.J. Reynolds has become the leading sponsor of automobile and motorcycle racing in the United States (Blum 1991). The association between events and cigarettes is so clear that in some markets, when ads selling tickets for a sponsored event (such as the Virginia Slims Tennis Tournament in Newport, Rhode Island) are run in local newspapers, the ads carry the mandated cigarette health warnings. Sponsorship can also preempt opposition to cigarettes among those who view sponsorship as necessary for the funding of an event. Despite the stated health threat, the association of the cigarette brand name with the event continues unabated on broadcast media, and event programming continues to feature cigarette brand logos. In the 1989 Marlboro Grand Prix telecast, for example, the Marlboro logo could be seen for over 46 of the 94 total minutes of broadcast time (Blum 1991). Such sponsorship is clearly viewed as delivering a brand message by the marketer.

Event sponsorship also provides access to youth markets of potential smokers (Buchanan and Lev 1990). Because youth do not predominantly compose the attendance or viewership of such sponsored events, however, cigarette advertisers can argue that they are not actively targeting youth. Yet given the heavy concentrations of young people in these audiences, and given the limited venues available to cigarette advertisers to present their images to children, sponsored events may be among the most cost-effective promotional mechanisms.

Two studies conducted with children and adolescents support the observations that cigarette industry sponsorship reaches young people. Aitken, Leathar, and Squair (1986) conducted a study to determine children's awareness of cigarette brand sponsorship of sports and games in the United Kingdom. Young people from ages 10 through 17 years old were asked what they understood by the term "sponsorship" and whether they could recall any cigarette brands that sponsored sports. The authors found that 13 percent of 10- and 11-year-old children and 43 percent of 16- and 17-year-olds mentioned that sports sponsorship entailed both a company's financial sponsorship of sporting events and its opportunity to advertise its products; 80 percent of 16- and 17-year-olds mentioned at least one of these two components of sponsorship. More than half of those 12 years old and older correctly associated at least one sponsored sport and the brand of the sponsoring cigarette company. Even children younger than age 11 identified the sponsored sports as activities linked with excitement. These findings supported those of Ledwith (1984), who also found that many 12- through 17-year-old schoolchildren were able to correctly identify sponsored sports and the sponsoring cigarette brand.

A secondary effect of sponsoring sports events is that the brand names become closely associated with the

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sports they sponsor. Ledwith (1984), for example, found that the likelihood of linking a sport with a brand of cigarette was directly related to the time spent watching that sport. The study also found that brand awareness increased substantially following the televised broadcast of a major sporting event sponsored by that brand. Thus, Marlboro and Winston have become associated with auto and sports car racing, and Virginia Slims has become associated with tennis; both brands also have become associated with the self-image messages these sports convey. Cigarette smoking may thus appear to receive an implied endorsement from race car drivers, whose expertise is associated with their ability to thoughtfully assess risks, and from tennis players, whose success partly depends on their physical endurance—a trait medically proven to be undermined by cigarette smoking.

Tobacco company sponsorship has not been limited to cigarettes. Connolly, Orleans, and Blum (1992) reported that in 1991, Skoal and Copenhagen, the two smokeless tobacco brands preferred by adolescents, were promoted on national television through their sponsorship of professional rodeo, hunting, formula car racing, "monster" truck racing, drag racing, sprint car racing, and stock car racing. The investigators concluded that "the harmful effects of tobacco are camouflaged against the backdrop and thrill of athletic victory" (p. 353).

Sponsored athletic and entertainment events also provide a venue for product sampling. In areas in which cigarette sampling is legal, free cigarettes and other specialty items can be distributed at these events.

Sampling and Specialty Items

Distribution of free samples is one of the most powerful devices available to marketers. It allows a company to put its product into the hands of possible consumers in circumstances where consumers are more likely to try it (e.g., outside of work or school). In the case of cigarettes, the power of sampling may be especially great (Popper 1986), because these are free samples of an addictive product. Although the cigarette manufacturers argue that samples are not intended for nonusers or minors, there is little evidence of distribution control (U.S. Congress 1986; Davis and Jason 1988).

The power of sampling in the cigarette marketplace is reflected by industry growth. Expenses for distributing samples increased from just under $25 million in 1975 to over $100 million in 1990 (FTC 1992). The tobacco industry agrees, however, that samples should not be given to anyone under age 21 or on school, college, or university campuses (Tobacco Institute 1986). Even more notable is the growth (from $10 million in 1975 to over $300 million in 1990) in the distribution of specialty or premium items (FTC 1992). These items are not simply related to tobacco products by bearing a brand name. Cigarette lighters, for example, are frequently provided with a sample cigarette. The lighter both facilitates trial of the cigarette sample and provides a brand-name reminder once the sample has been consumed.

Premium items also convey an advertising message without an appropriate associated warning. Figure 2 displays two pages of a 1993 *Camel Cash Catalog*. Premium and specialty items from this catalog can be obtained by sending in the listed number of "C-notes," which can be collected from packs of Camel cigarettes. Although a promotional package will often include a health warning along with a specialty item (such as a T-shirt or thong sandal), the warning does not appear on the item (Slade 1992). Since many specialty items include the imaginative content of the cigarette brand's advertising campaign, they provide ongoing advertising without any required health warnings. In a recent George H. Gallup International Institute survey of 1,125 adolescents nationwide, about half of the adolescent smokers reported that they had received promotional items from tobacco companies, as had one in four nonsmoking adolescents (Gallup 1992).

Other Promotional Expenditures

In 1990, three out of every four advertising and promotional dollars spent by the cigarette industry were devoted to promotional allowances, amounting to a total of over $3 billion. Though this amount includes cooperative advertising and payments to wholesalers, its primary function is to pay retailers to continue to display and vend cigarettes from prominent locations in their store.

The over $300 million spent by the tobacco industry on point-of-sale advertising in 1990 (only 10 percent less than the $328 million spent on cigarette advertising in magazines that year) is intended to bring the images of cigarette enjoyment to consumers at the store. For a brand-loyal smoker, the reminder value of a point-of-sale display is low. Therefore, to the extent that these displays focus on brand image, they may not only encourage experienced smokers to switch brands but also encourage new smokers to experiment with a particular brand (and with its associated brand image). The $1.3 billion spent on promotional allowances and point-of-sale displays combined are thus funds potentially directed at new, youthful smokers.

Retail value-added promotion consists of those activities (coupons, special price offers, 25-cigarette packs, etc.) that effectively reduce the cost of cigarettes. The industry argues that this promotion is clearly interbrand

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Figure 2. Pages from *The Camel Cash Catalog*, Volume Three

Source: R.J. Reynolds Tobacco Co. (1993).

competition. Although this is undoubtedly the case for some price offers, value-added promotion has two other effects. The first is to reduce the cost of entering the market—a notable effect, since some research studies indicate that the cigarette market is price sensitive (see "Effects of Excise Taxes on Tobacco Use" in Chapter 6). Any money-saving action that facilitates market trial and adoption may disproportionately affect youth, who usually have slim financial reserves and low earning power. Recently, Philip Morris began aggressive price-cutting promotions using coupons for Marlboro (Levin 1993), the predominant brand used by teenagers (CDC 1992). The second effect of coupons and other retail value-added devices is to encourage repeat purchases. Often coupons are enclosed with sample or trial packs and are included with other brand-trial devices. In using these coupons, the smoker moves toward habitually purchasing and using a particular brand and identifying with that brand's image. Moreover, coupons can encourage new users to progress from a trial stage of smoking to regular, addicted use of cigarettes.

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Research on the Effects of Cigarette Advertising and Promotional Activities on Young People

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Introduction

A substantial and growing body of scientific literature has reported on young people's awareness of, and attitudes about, cigarette advertising and promotional activities.[3] Research has also focused on the effects of these activities on psychosocial risk factors for beginning to smoke. Considered together, these studies offer a compelling argument for the mediated relationship of cigarette advertising and adolescent smoking. To date, however, no longitudinal study of the direct relationship of cigarette advertising to smoking initiation has been reported in the literature. This lack of definitive literature does not imply that a causal relationship does not exist; rather, better quantification of exposure, effect, and etiology is needed. Important data from research conducted for the tobacco industry are not available; such information would add considerably to our knowledge. A definitive study, such as a randomized control trial with young people exposed and not exposed to cigarette advertising, is both practically and ethically impossible. What is possible and needed is research that is longitudinal and multivariate, that takes advantage of recent statistical modeling methods, and that uses large samples of children and young adolescents who have not tried smoking and who have had relatively little exposure to cigarette advertising.

The issue of causality is addressed in this section by examining the effect of cigarette advertising and promotional activities on the known psychosocial risk factors (discussed in detail in Chapter 4) for the initiation of smoking. If advertising and promotional activities consistently affect these factors—factors such as self-image, the functional meanings of smoking, normative expectations, and intentions to smoke—then these activities may also affect smoking onset. This mechanism is especially plausible in the United States, where cigarette advertising and promotional activities are pervasive.

During an unusual historical period, July 1, 1967, through December 31, 1970, antismoking messages were widely aired on television and radio as part of the FTC's Fairness Doctrine. These messages were aired until a complete ban on prosmoking advertising on radio and television took effect on January 1, 1971. For those three and one-half years, the American public was exposed to both prosmoking and antismoking messages on radio and television. A carefully designed study of nearly 7,000 adolescents (Lewit, Coate, Grossman 1981) found that having both sets of messages on radio and television had the effect of reducing adolescent smoking rates; the impact was strongest during the first year of the antismoking messages. These study findings suggest that a nationwide, well-funded antismoking campaign could effectively counter the effects of cigarette advertising in its currently permitted media forms.

Young People's Exposure to Cigarette Advertising

Several research studies show that young people are aware of, and respond to, cigarette advertising. In a recent Gallup (1992) study, 87 percent of the 1,125 adolescents surveyed nationwide could recall recently seeing one or more tobacco company advertisements. Similarly, Pierce et al. (1993) found in their study of nearly 7,000 California adolescents that over 90 percent of the 12- and 13-year-olds could name a brand they had seen advertised. Half of the adolescents in the Gallup survey could identify the cigarette brand name associated with at least one of four cigarette slogans (Gallup 1992).

Chapman and Fitzgerald (1982) tried to determine the level of awareness of cigarette advertisements among 11- through 14-year-olds in Australia and the possibility of a relationship between awareness of advertisements and smoking behavior. Data were collected on smoking prevalence and preferred brands. Participants were asked to identify the cigarette brands advertised in photographs of eight print-media cigarette advertisements that had been edited to remove any identifying writing. The children were also asked to complete edited advertising slogans. Children who reported smoking in the last four weeks were almost two times more likely to correctly identify the advertisements and complete the slogans than were children who reported that they had not smoked during that period. Smokers' preferred brands generally corresponded with the advertisements and slogans most often correctly recognized. Of the 130 brands of cigarettes available on the market at the time of the study (1981), just four brands accounted for cigarettes smoked by nearly 80 percent of these adolescent smokers.

[3]Recent evidence of the effects of tobacco advertising on adult tobacco consumption can be found in the United Kingdom Department of Health document, *Effect of Tobacco Advertising on Tobacco Consumption: A Discussion Document Reviewing the Evidence* (UK Department of Health 1992).

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In the United Kingdom, Aitken, Leathar, and O'Hagan (1985) followed a procedure similar to that used by Chapman and Fitzgerald. They showed cigarette advertisements, interspersed among advertisements for other products, to groups of male and female schoolchildren (aged 6 through 16 years) from Glasgow's inner-city areas (most of whose residents were of lower socioeconomic status) and suburban areas (most of whose residents were of higher socioeconomic status). Chapman and Fitzgerald's findings that large proportions of children were aware of cigarette advertisements were supported in this study and were extended to include younger children. Among some of the 12-year-olds and most of the 14- and 16-year-olds in the Glasgow study, the advertising images elicited comments that indicated the young people were perceiving implicit, supposedly adult themes, such as independence, sex appeal, and success.

In a separate study, Aitken et al. (1987) showed nine color photographs of different cigarette advertisements to 12- through 17-year-olds. When the young people were asked if they had seen any of the advertisements before, 83 percent of the 12- and 13-year-olds and 91 percent of the 16- and 17-year-olds recalled seeing the same ads. When asked to match the various ads to brief verbal descriptions of the ads, the study subjects in the three oldest age groups (those 15 through 17 years old) succeeded at a level greater than chance.

Together, the results from these studies show that even relatively young children are aware of cigarette advertising and are able to recall particular advertisements. Older adolescents are moreover capable of interpreting the advertisements in imagistic terms related to attractive features of adult life.

Opinions on Cigarette Advertising and Smoking Behaviors

O'Connell et al. (1981) surveyed more than 6,000 students aged 10 through 12 who were drawn from a sample of 88 primary schools in New South Wales, Australia. Logistic regression was used to determine the relative importance of various personal and social environmental factors in relation to the proportion of children who reported smoking one or more times per week. The factors included friends' smoking, approval of tobacco advertising, siblings' smoking, the amount of money available to spend weekly, gender, age, and parents' smoking. As part of the same study, Alexander et al. (1983) identified factors associated with change in smoking status (both beginning and ceasing to smoke) over the 12 months between the baseline and follow-up surveys. Of the children who reported not smoking during the month preceding the baseline survey, significantly more of those who at baseline approved of cigarette advertising reported smoking during the month preceding the follow-up survey than did those who disapproved of cigarette advertising. Similar results were found for the children who reported smoking during the month preceding the baseline survey. The study thus found a positive relationship between approving of advertising and subsequently taking up smoking, and between disapproving of advertising and quitting smoking.

Armstrong et al. (1990) conducted a large randomized trial among seventh-grade students (13 years old) in Western Australia in which peer-led and teacher-led programs concerning social influences were evaluated. When the students were resurveyed one year and two years after the intervention, the results identified factors associated with beginning to smoke. Both boys and girls who at baseline reported that cigarette advertisements made them think they would like to smoke a cigarette were significantly more likely to have adopted smoking at the one-year and two-year follow-up surveys than those who did not report feeling this way.

Aitken and Eadie (1990) examined whether the awareness and appreciation of cigarette advertisements were independent of other predictors of adolescent smoking. In this study, 868 Glasgow adolescents between the ages of 11 and 14 years were selected at random and interviewed privately in their homes. Older adolescents, boys, and current smokers in the sample tended to approve of cigarette advertisements and were also more likely to correctly identify cigarette advertisements that carried no brand identification. In general, smokers were more successful than nonsmokers at identifying cigarette advertisements, were more likely to have siblings who smoked, tended to be more approving of cigarette advertisements, and were less likely to perceive that their parents strongly opposed smoking. These findings suggest that advertising may reinforce the habit of smoking, even among new, young smokers.

Young People's Responses to Different Types of Cigarette Advertisements

Huang et al. (1992) reported on the preferences of seventh- and eighth-grade children (average age 14) concerning three categories of cigarette advertisement: ads with cartoons, those picturing human models, and those with only the cigarette package and words (tombstone ads). The study was a cross-sectional survey conducted in April 1991 among 243 students in two junior high schools in Chicago. Seventy percent of the students were black, 22 percent white, 3 percent Hispanic, 2 percent Native American, 1 percent Asian, and 2 percent from other races. Analyses were limited to responses of the black and white subjects. The subjects first were

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asked to use five-point scales to rate how much they would like to embody the following 19 characteristics: athletic, good-looking, kind, slim, macho, smart, sexy, average, fun, special, independent, cool, afraid, overweight, underweight, tough, important, mature, and immature. They were then shown slides of 13 current cigarette ads representing nine brands taken from nine magazines obtained at a local supermarket newsstand. The students were asked to indicate how much they liked each ad and how likely they would be to buy the brand of cigarettes advertised. For each ad with either cartoon or human models, students were asked to rate the models on the same 19 characteristics used to describe their ideal self-image.

Students preferred advertisements with cartoons; ads with human models were the next most popular, and tombstone ads were liked least. Specifically, both black and white students ranked the two advertisements featuring Camel cigarettes' cartoon camel mascot Old Joe third and second; this preference was more marked among white students. Advertisements with black models were more appealing to black students than to whites, and ads featuring the Marlboro cowboy (who is white) were more appealing to white students than to blacks. Among students who smoked, the buying preferences for all brands closely paralleled the reported ad appeal.

A factor analysis based on the 19 rated attributes identified five groupings of the advertisements. Female models were seen as predominantly "slim" and "good-looking." Joe Camel was "cool" and "fun," as were the two black models in a Salem ad. The Marlboro man was perceived as "tough" and "macho." On the other hand, a Montclair model was ascribed no positive attributes, but was predominantly rated as "not sexy" and "not good-looking." All of the positive attributes reported for the cigarette ad images also were described as positive attributes for the students' ideal self-images.

Uutela et al. (unpublished data) compared how children in Los Angeles and Helsinki perceived advertisements for cigarettes, beer, liquor, and cars. Although Finland does not permit advertising for either tobacco or liquor, the authors noted that Camel boot ads were allowed in the country, as were ads for the Philip Morris company depicting the Marlboro cowboy. A total of 592 Los Angeles students and 660 Helsinki students between the ages of 8 and 17 years were asked the open-ended question, "What kinds of pictures come to your mind when you think of how a cigarette/beer/liquor/car ad might look?" Their responses were coded into 11 categories.

In Los Angeles, the dominant ad images reported for cigarettes, beer, and liquor all were images of "happy/fun/partying," whereas the ad images for cars were more likely to be in the "outdoors/sports" category. In Helsinki, however, the dominant ad images reported for cigarettes and for beer were "tough/macho," for liquor, "rich/status/success," and for cars, "glamorous/sexy/attractive." The authors concluded that young people in Helsinki perceived cigarette advertising as portraying themes that represent the "traditional man's role," whereas the perceived themes in Los Angeles were less gender specific. Finland is one of the few western countries where smoking continues to be significantly higher among boys than among girls.

Humor in Advertising

Nelson and While (1992) provided evidence for the role of humor in advertisements that appealed to youth in a study of 7,047 students aged 11 through 16 years old from 10 schools in the north, south, and midlands of England. Students first were asked two open-ended questions: "What is your favorite advertisement?" and "Why do you like it?" Ninety-one percent of the students reported a favorite ad; 53 percent of these students reported that humor was their main reason for liking their favorite advertisements. Boys (especially those 13 through 16 years old) were significantly more likely than girls to choose an ad because of its humor. Girls (especially those 15 and 16 years old) were more likely than boys to say they liked the personality appearing in their favorite ad. Children who chose ads for alcohol and tobacco products as their favorites were more likely than other respondents to cite humor as their reason for preferring these ads. Several research studies have demonstrated that adults, as well as children, prefer advertisements with humor (Gelb and Pickett 1983). Nonetheless, cartoons with talking animals are generally considered to appeal more to children than to adults; Joe Camel and Willy Penguin (the cartoon mascot for Kool) would be highly atypical examples of advertising humor if the ads that feature them were meant only for an adult audience.

Responses to Advertisements for the Camel and Marlboro Brands

A few recent studies (DiFranza et al. 1991; Pierce et al. 1991; McCan 1992) have compared the responses of children and adults to Camel cigarettes' Old Joe campaign. The subjects in the DiFranza et al. (1991) study were 1,055 high school students in grades 9 through 12 from five regions of the United States and 345 subjects 21 years of age and older from Massachusetts. The adult subjects were recruited from drivers renewing their licenses at the department of motor vehicles office. Seven different advertisements from Camel's Old Joe campaign were used as stimuli. In the first ad, clues to the product

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and brand were masked, and subjects were asked whether they had ever seen the ad and what product and brand were being advertised. They were then shown six other Old Joe ads, one at a time, and asked to rate the appeal of these ads.

The high school students were more likely than adults to recognize and correctly identify Old Joe (98 vs. 73 percent), to think the ads looked "cool" (58 vs. 40 percent), to think the ads were interesting (74 vs. 55 percent), to think that Old Joe is cool (43 vs. 26 percent), and to report that they would like to have Old Joe as a friend (35 vs. 14 percent). Data on brand preference collected from the high school students who smoked were compared with corresponding data from seven surveys completed before the kick-off of the Old Joe campaign early in 1988. The authors reported that in the three-year duration of the Old Joe campaign, the proportion of smokers under 18 years old who preferred Camel cigarettes over other brands rose from 0.5 percent to 33 percent.

Pierce et al. (1991) analyzed data from the California Tobacco Survey, a 1990 random-digit-dialed telephone survey of 24,296 adults aged 18 and over and 5,040 adolescents aged 12 through 17. Respondents were asked to "think back to the cigarette advertisements . . . recently seen on billboards or in magazines. . . . What brand of cigarette was advertised the most?" Thirty-four percent of the adults named Marlboro as the most-advertised brand, 14 percent of the adults named Camel cigarettes. Among the adolescents, 42 percent identified Marlboro and 30 percent identified Camel as the most advertised brand. No more than 3 percent of either the adult or teenage respondents named any other single brand.

The percentage of respondents who named Marlboro increased with age among the adolescents, peaking at 48 percent among 16- and 17-year-olds before declining among adults. The percentage of respondents who named Camel was inversely related to age, ranging from 23 percent for 16- and 17-year-olds, to 20 percent for 18- through 24-year-olds, to 10 percent for respondents aged 45 years and older. Similar results were found by Pierce et al. (1993) and by a Gallup (1992) survey, although Camel advertisements were identified as the most pervasive ads according to McCan's (1992) analysis of the 1992 California Tobacco Survey. It is not surprising, given these results, that Marlboro and Camel cigarettes are used by up to 70 percent of adolescent smokers (Gallup 1992; CDC 1992).

A study conducted by Fischer et al. (1991) suggested that even very young children were aware of the Joe Camel campaign. In this study, three- through six-year-old children were asked to match each of 22 brand logos on cards to one of 12 products pictured on a game board. Ten of the logos were from children's products, seven from adult products, and five from cigarette brands. The recognition rate for Old Joe ranged from 30 percent for three-year-olds to 91 percent for six-year-olds. By the age of six, the face of Old Joe and the silhouette of Mickey Mouse (the logo for the Disney Channel on cable television) were equally well recognized.

Young People's Self-Image and Implications for Tobacco Use

Intention to smoke is one of the strongest predictors of trying cigarettes and of becoming a smoker (Conrad, Flay, Hill 1992). Chassin et al. (1981) found that 9th- and 10th-grade students whose reported image of smokers correlated with their reported self-image, ideal-date image, and certain attributes of ideal self-image were likely to report that they intended to smoke. The attributes of ideal self-image that correlated with attributes of smokers' image were "tough," "foolish," "act big," "disobedient," and "interested in the opposite sex." A positive relationship of self-image and ideal-date image with smokers' image was also found to differentiate students who were already smokers from nonsmokers. Bowen et al. (1991) found that even among preadolescent, fifth-grade boys, reported images of smokers were more likely to match advertising images of smokers among those who had tried a cigarette than among those who had never tried cigarettes.

Barton et al. (1982) asked 6th- and 10th-grade students to evaluate slides of peer models posed with and without cigarettes. Children in both age groups rated smoking models as being less healthy, more foolish, tougher, poorer at schoolwork, more sociable, more ostentatious, and more disobedient than nonsmoking models. Grube et al. (1984) subsequently reported that both smokers and youth who intended to smoke were more likely than nonsmokers to have self-images like the images they attributed to smokers. McCarthy and Gritz (1984) found that among 6th-, 9th-, and 12th-grade boys and among 12th-grade girls, a correlation of ideal self-image to advertising images of smokers was associated with intentions to smoke.

Students in 11 seventh-grade classes in a working-class area of Pasadena participated in a study (Burton et al. 1989) that investigated attributes of four categories of images: *self, ideal self, smoker,* and *cigarette ad.* A random sample of 122 students were asked to use a six-point scale to rate four attributes (healthy, wise, tough, and interested in the opposite sex) in responding to four questions: (1) "What sort of person are you?"; (2) "What sort of person would you like to be?"; (3) "What sort of person is a smoker?"; and (4) "In billboards, magazines and other advertisements, smokers are made out to be

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what?" Intention to smoke was assessed by the question, "Do you think you will ever smoke cigarettes in the future?" to which there were six possible responses.

Subjects who had small differences between their self-image and their image of smokers, and those who had large differences between their self-image and their ideal self-image, were found to have greater intentions to smoke. These findings can bear closer scrutiny. Smokers' images received relatively low scores from all students but to a lesser extent among students who had greater intentions to smoke. Since these students had also assigned themselves lower self-images than their peers, they were that much closer to the image scores they assigned to smokers. Also worth elaborating is the observed relationship between greater intention to smoke and greater disparity between self-image and ideal self-image: students intending to smoke assigned themselves lower scores for both images than did their peers. The authors conclude that youth with relatively low self-concepts who do not perceive themselves as being particularly healthy, wise, tough, or interested in the opposite sex may be disposed to smoking as a way of enhancing their low self-image, especially since smoking has been consistently associated with these attributes in advertising.

In a study conducted in 1991 (Burton, Moinuddin, Grenier, unpublished data), 239 black and white seventh- and eighth-grade students in Chicago were asked to rate on a five-point scale their self-image and their ideal self-image according to 15 attributes. Some attributes (such as "special" and "important") were prominent in both scales; other attributes that were highly rated in one image scale were much lower in the other. The attributes that revealed the largest discrepancies between an ideal self-image and self-image were "good-looking," "sexy," "tough," and "athletic." The same students were also asked to indicate on a three-point scale how much they would want to buy a given product. When responses to the two sets of questions were compared, having "sexy" as an ideal self-image attribute was associated with expressing an intention to purchase Camel cigarettes, and having "tough" as an ideal self-image attribute was associated with expressing an intention to purchase Marlboro cigarettes.

The image attributions of adolescents described in this set of studies suggests a mechanism of smoking initiation (Figure 3). The visual images in advertisements may thus serve to shape the ideal self-image of this impressionable audience, since the ads may portray attributes that children and adolescents would like to have. The greater the discrepancy between their self-images and their ideal self-images, the more likely these young people are to try to make their self-images more like their ideal self-images (e.g., by "buying into" an improved self-image through responding with the purchase invited by the ads).

In commercial advertising theory, this notion informs imagery-advertising conceptualization, which presumes that the need for consistency or balance will motivate an individual to try to close the gap between self-image and ideal self-image (McGuire 1989). This con-ceptualization entails an active striving to make the self-image more like the ideal self-image, and not the other way around. Imagery-advertising conceptualization is most compatible with identification theories (e.g., role theories, reference-group theories, and self-presentation theories) that stress the need to expand identity by adopting distinctive thoughts, feelings, or actions (McGuire 1989). Thus, the teenaged girl who responds to a Virginia Slims advertisement that portrays independence is motivated to buy and use the product in order to enhance her sense of independence.

Young People's Misperceptions of Smoking Prevalence and Implications for Tobacco Use

In contrast to the image-advertising model described above, the model in Figure 4 is not concerned with the content of cigarette advertisements, but instead with the pervasiveness of the ads. According to this conceptualization, the pervasiveness of cigarette ads leads youth to overestimate the prevalence of smoking and to consider smoking as normative. Studies have consistently reported that adolescents overestimate the prevalence of cigarette smoking (Johnson 1982; Chassin et al. 1984); moreover, those who smoke overestimate smoking prevalence to a greater extent than do nonsmokers (Sherman et al. 1983; McCarthy and Gritz 1984). Overestimating smoking prevalence has been found to be among the strongest predictors of smoking initiation and acquisition (Chassin et al. 1984; Collins et al. 1987; Sussman et al. 1988; see "Perceived Environmental Factors" for smoking in Chapter 4).

Burton et al. (unpublished data) examined the relationships among cigarette advertising, estimates of smoking prevalence, and intentions to smoke. Children in Helsinki, Finland, where there has been a total tobacco advertising ban since 1978, were compared with children in Los Angeles, where tobacco is advertised in various print media and through promotional activities. Because the Finnish children may have been exposed to tobacco advertising through foreign magazines or through traveling to other countries, the study is characterized as comparing pervasive vs. occasional exposure to advertising. Classroom samples of 477 Helsinki students and 453 Los Angeles students—aged 8 through 14 years in both samples—whose lifetime cigarette use consisted of

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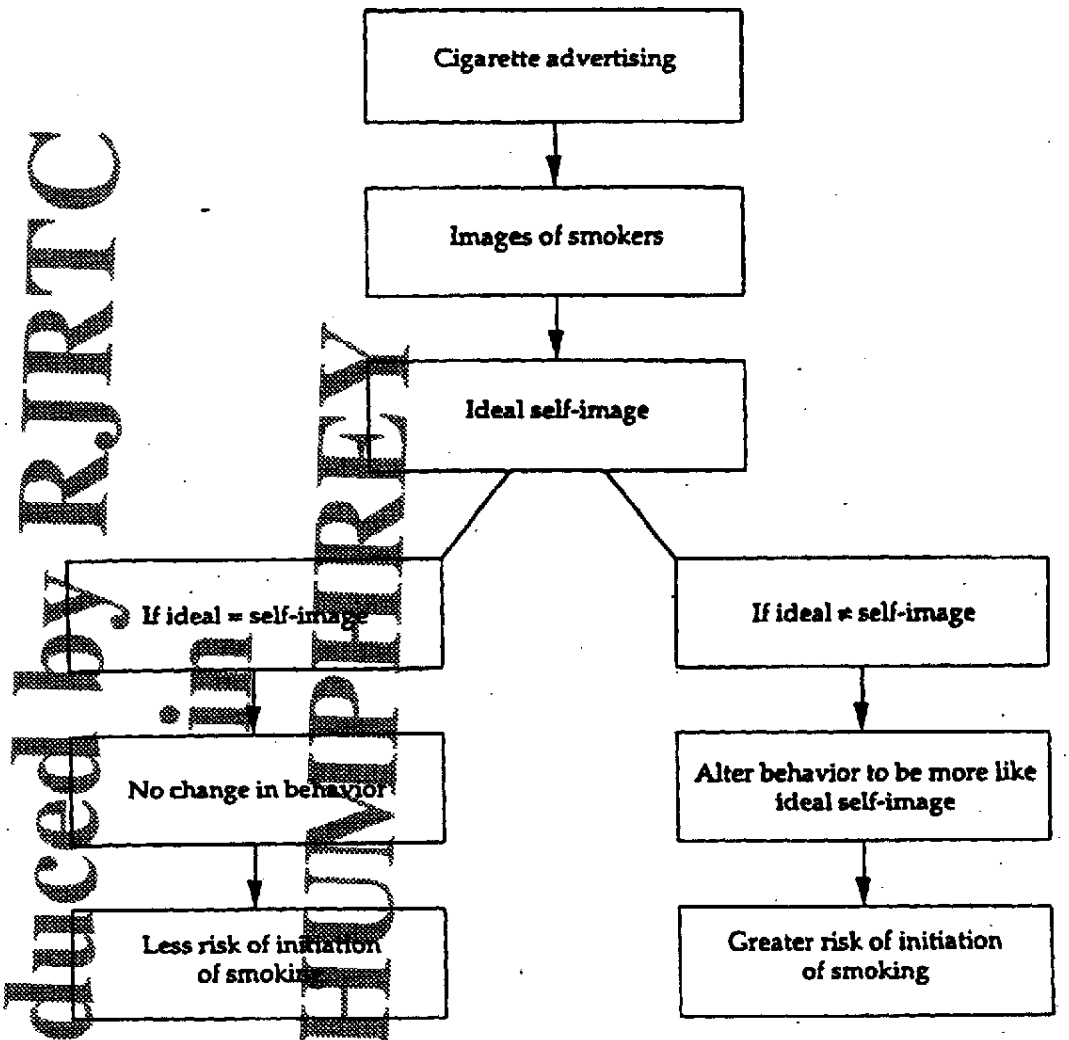
Figure 3. A model of smoking initiation: cigarette advertising as a shaping force of an adolescent's ideal self-image



Source: Burton, Moinuddin, Grenier (unpublished data).

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no more than a puff of a cigarette were asked how many of their peers and how many adults smoked. Respondents were also asked whether they had ever seen a cigarette ad and when an ad was last seen.

Los Angeles youth were more likely than Helsinki youth to overestimate the prevalence of peer smoking (a 417 percent overestimate vs. a 150 percent one) and of adult smoking (319 percent vs. 173 percent). Both between countries and within the Los Angeles respondents, reported cigarette advertising exposure was positively related to the amount of overestimation of both adult and peer smoking prevalence. Overestimates of smoking prevalence were found to be positively related to intentions to smoke. Interestingly, self-reported exposure to cigarette advertising and intentions to smoke had a direct relationship beyond that mediated by misperceptions of smoking prevalence.

In a recently published study of seventh- and eighth-graders, Botvin et al. (1993) found that exposure to cigarette advertising in periodicals and newspapers was predictive of current smoking status. Adolescents with high exposure to cigarette advertising were significantly

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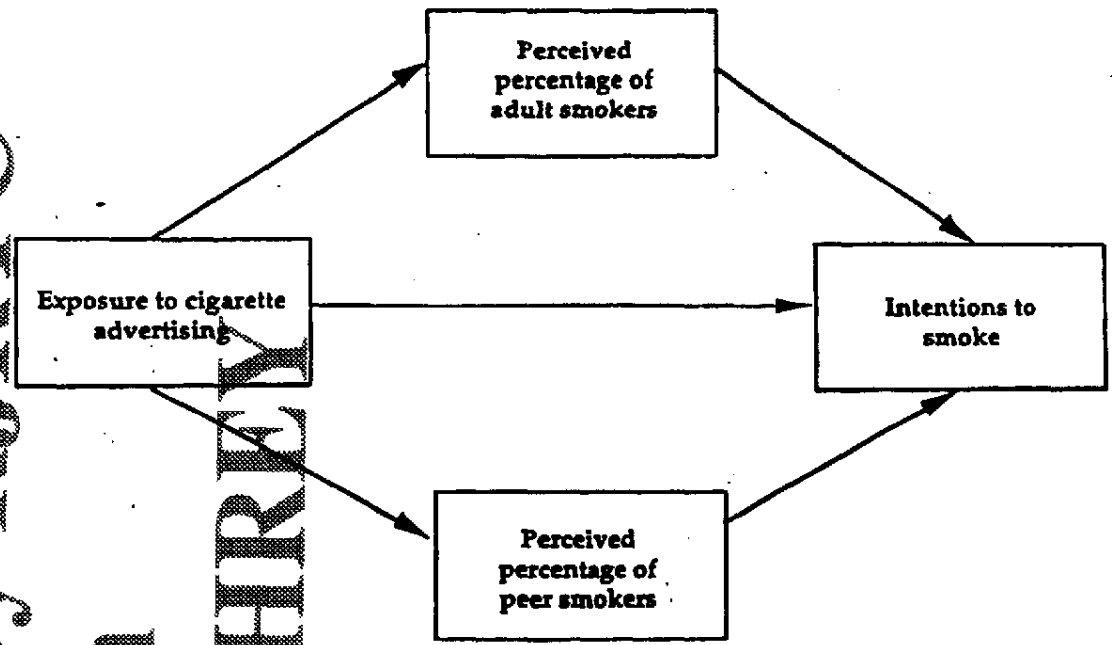
Figure 4. A model of smoking initiation: effect of cigarette advertising on perceptions of smoking prevalence among adults and peers



Source: Burton et al. (unpublished data).

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more likely to be current, past-day, past-week, or past-month smokers than were those with low exposure to cigarette advertising. Significant associations were also found between exposure to cigarette advertising and students' estimates of smoking prevalence among their peers and among adults.

Studies have been equivocal concerning the relative importance of overestimates of peer smoking compared with overestimates of adult smoking. The general interpretation is that normative influences are operative in both cases; that is, smoking is more or less misperceived to be a usual and appropriate behavior. It also has been suggested that overestimates of adult smoking serve to increase the symbolism of smoking as a desired, adult behavior; smoking therefore acquires greater meaning to an adolescent in transition to adulthood.

Discussion

Even though the tobacco industry asserts that the sole purpose of advertising and promotional activities is to maintain and potentially increase market shares of adult consumers, it appears that some young people are recruited to smoking by brand advertising. Two sources of epidemiologic data support this assertion. Adolescents consistently smoke the most advertised brands of cigarettes, both in the United States and elsewhere (McCarthy and Gritz 1984; Baker et al. 1987; DiFranza et al. 1991). Moreover, following the introduction of advertisements that appeal to young people, the prevalence of use of those brands—or even the prevalence of smoking altogether—increases. This association was seen among adolescent females after the 1968 introduction of the Virginia Slims brand; smoking prevalence among adolescent females nearly doubled between 1968 (8 percent) and 1974 (15 percent) (USDHHS 1980). A similar associated increase was seen for smokeless tobacco use among adolescent males after a major advertising and promotional campaign in the 1970s focused on "beginners" (Tye, Warner, Glantz 1987). More recently, Camel's Old Joe advertising campaign appears to have substantially increased the brand's market share among persons less than 18 years old (DiFranza et al. 1991).

Advertising and promotional activities also appear to influence risk factors for adolescent tobacco use, even if this is not the intention of the tobacco industry. These

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psychosocial risk factors—having a low self-image, attributing positive meanings or benefits to smoking, and perceiving smoking as prevalent and normative—strongly predict smoking intentions and smoking onset.

In several countries, concern about the health consequences of smoking and the potential influence of advertising on consumption has prompted a nationwide ban on tobacco advertising (UK Department of Health 1992). In 1975, Norway banned all tobacco advertising, sponsorship, and indirect tobacco advertising. In 1977, Finland banned all forms of tobacco advertising. Canada introduced a ban in 1989 on all tobacco advertising, sponsorship, and indirect advertising of Canadian origin. New Zealand introduced a ban in December 1990 on advertising in print media originating in New Zealand, on advertising in posters, and on sponsorship of sports. Although the bans in Canada and New Zealand have been relatively recent, the current evidence indicates that these actions have had a significant effect on consumption in each of the four countries (UK Department of Health 1992). In each case, the banning of advertising was followed by a decrease in smoking rates that persisted even when controlled by changes in other factors, such as price. These studies focused on total cigarette consumption; although the bans appear to have influenced smoking rates among young people in Canada and Norway, more specific data concerning young people are forthcoming.

Conclusions

1. Young people continue to be a strategically important market for the tobacco industry.
2. Young people are currently exposed to cigarette marketing through print media (including outdoor billboards) and through promotional activities, such as sponsorship of sporting events and public entertainment, point-of-sale displays, and distribution of specialty items.
3. Cigarette advertising uses images rather than information to portray the attractiveness and function of smoking. Human models and cartoon characters in cigarette advertising convey independence, healthfulness, adventure-seeking, and youthful activities—themes correlated with psychosocial factors that appeal to young people.
4. Cigarette advertisements capitalize on the disparity between an ideal and actual self-image and imply that smoking may close the gap.
5. Cigarette advertising appears to affect young people's perceptions of the pervasiveness, image, and function of smoking. Since misperceptions in these areas constitute psychosocial risk factors for the initiation of smoking, cigarette advertising appears to increase young people's risk of smoking.

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